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TODAY: MONEY & Business of 1996 - Page 15

Korean Strike: It's the Economy

Global Forces, Not Hyundai, Are the Real Target

By Andrew Pollack
New York Times Service

ULSAN, South Korea — Until four years ago, Lee Soo Chun, an equipment repairman at Hyundai Heavy Industries, lived a threadbare existence with his wife and son in a single rented room.

Now he owns a two-bedroom apartment. Over the years, he has also acquired a television, a VCR, a stereo, a car, a personal computer for a son and enough leisure time to indulge his passion for hiking.

But Mr. Lee, whose $20,000 salary is nearly triple what he was earning when he joined the company 15 years ago, feels far from secure. Last month, the government enacted a labor law that makes it easier for companies to dismiss workers — an effort to compete with newly industrializing nations, where wages are still comparatively low.

There are reports, Mr. Lee said, that Hyundai might lay off 3,000 workers.

And so he is on strike, joining an increasingly violent and bitter labor protest that is now entering its fourth week. His immediate aim is repeal of the new law. But in a deeper sense, he and his co-workers are taking a stand against the global economic forces that brought investment and prosperity to low-wage Korea and now threaten to take it

How the strikes will affect conglomerates. Page 9.

elsewhere. This round of strikes differs from the labor unrest that has convulsed Korea in past years. It is not so much about making gains in wages and working conditions as about protecting them.

It signals a shift in labor's emphasis, similar to those felt in developed countries, from higher pay to job security. There is another difference as well, one that makes Mr. Lee

See KOREA, Page 7

Bernd Kammerer/The Associated Press

A broker Friday at the Frankfurt Stock Exchange, where shares set a record as a stronger dollar lifted equities across Europe. (Page 9)

Dollar Soars On Prospect For Faster U.S. Growth

As Europe Falters, Upbeat Trade Data Attract Investment

By Erik Ipsen
International Herald Tribune

LONDON — The dollar soared Friday to a two-and-a-half-year high against the Deutsche mark as rousing U.S. economic data and doubts about Europe's prospects led traders to sell Continental currencies and buy the dollar.

The U.S. currency also jumped to a 31-month high against the Swiss franc and a two-year high against the French franc and rose against the pound and the yen.

The U.S. Treasury secretary, Robert Rubin, welcomed the dollar rally, reiterating that a strong dollar would help keep inflation in check and U.S. interest rates low.

"A strong dollar has been very much in our interest and remains so," Mr. Rubin told Bloomberg News after a speech in Washington. He forecast solid growth for the economy "as far in the future as I would care to look."

The dollar's rally began after the release of U.S. data showing a narrower trade deficit in November than many economists had expected. The gap was $8.4 billion, compared with expectations of almost $10 billion. (Page 9)

The dollar got a second boost from news of surprising strength in U.S. industrial production. It outstripped predictions by expanding 0.8 percent last month and in the process raised expectations for an increase in interest rates, which would make dollars more attractive for investors to hold.

U.S. economic growth appears "quite strong" and is more likely to quicken than to slow, J. Alfred Broaddus, president of the Federal Reserve Bank of Richmond, Virginia, told Bloomberg News.

Mr. Broaddus is a voting member of the Federal Open Markets Committee, which decides whether the central bank should try to change interest rates in the United States.

The committee will meet Feb. 4 and 5 to consider its target for the overnight bank lending rate, or federal funds rate, a benchmark for U.S. borrowing costs. The rate was last cut Jan. 31, 1996, by a quarter of a percentage point, to 5.25 percent.

Analysts said Friday's economic reports were unreservedly positive for the U.S. currency. "Dollar bulls could not really have asked for more from today's data than they got," said Paul Meggyesi, senior currency economist

See DOLLAR, Page 10

$300,000 Fine and a Reprimand Proposed for Gingrich

Compiled by Our Staff From Dispatches

WASHINGTON — A report Friday by the independent counsel for the House ethics committee was highly critical of Newt Gingrich for his admitted ethical lapses, recommending a penalty of $300,000 and a reprimand.

The House speaker agreed in advance to the financial levy.

"Mr. Gingrich has agreed that this is the appropriate sanction in this matter," the special counsel, James Cole, said in his final report on the Gingrich inquiry to the ethics committee.

The report recommended that Mr. Gingrich be reprimanded for bringing discredit on the House of Representatives by filing false information with the ethics panel and failing to get proper legal advice on whether his use of charitable funds for a college course he taught might violate tax laws.

The counsel concluded that Mr. Gingrich for years had shown "a disregard and lack of respect" for House rules.

Mr. Cole also concluded "that a good argument could be made" that Mr. Gingrich had intentionally misled the House about the role of his political organization in his college course. But it "would be difficult to establish" that conclusion, he said in recommending a reprimand that would allow Mr. Gingrich to retain the speakership.

If the committee approves the penalty recommendations, as it is expected to, and the full House approves as well in a vote scheduled for Tuesday, Mr. Gingrich would become the first incumbent speaker to be punished in this way.

The report indicated that the ethics subcommittee, which endorsed and transmitted Mr. Cole's report to the full panel, felt that Mr. Gingrich's violations strained the limits of what could be covered by a reprimand rather than by the more severe penalty of censure.

"It is the opinion of the subcommittee that this matter fell somewhere in between," the report said.

The recommendations by Mr. Cole are more serious than Republicans expected. Some had contended that Mr. Gingrich's offenses amounted to no more than "jaywalking tickets" and that he

See GINGRICH, Page 3

Watchman In Zurich Saved a Bit Of History

By Edmund L. Andrews
New York Times Service

ZURICH — That day last week began like every other workday for Christoph Meili, a night watchman at the Union Bank of Switzerland.

But as he made his routine checks in the deserted building on Jan. 9, Mr. Meili was startled at the sight in the bank's shredding room of two large bins on wheels filled to the brim with books and papers.

The contents were unmistakably old and they were a jumble: from oversized ledger books with entries handwritten in fountain pen, to decades-old contracts, to lists of mortgaged buildings in German cities like Berlin and Breslau in the 1930s and 1940s — the years of Nazi rule in Germany.

"I thought to myself: Wait a minute. This is historical material," Mr. Meili recalled in an interview. "There were more than 40 pages about real estate and they were from 1933, 1934, 1937. I saw the dates of payments and credits. I saw street names and numbers, and I saw that some of them were from Berlin."

Within the next 15 minutes, Mr. Meili made a fateful decision that he knew would probably cost him his job: He grabbed an armful of books and papers, took them to a Jewish cultural organization the next day and then went public with what he knew.

Mr. Meili's action rocked UBS, Switzerland's biggest bank, which acknowledged Tuesday that it had made a "deplorable mistake" and may have violated a new Swiss law created to protect material that might shed light on the Holocaust period.

Swiss banks have come under sharp criticism in recent months for their commercial dealings with the Nazis. Families of Holocaust victims have complained that the banks are resisting efforts to track down what happened to the Swiss accounts of Jews killed in the Holocaust.

Mr. Meili, 28, who has been lionized locally as the "document hero," said he had given little thought to the debate about Swiss banks and their Nazi ties before finding the papers. But as soon as he got a close look at the documents, he said, he became convinced he had been handed a historic duty to act.

"I knew it was a problem," he said of his decision to take papers out of the bank. "But these were documents that

See SHRED, Page 7

Jim Hollander/Reuters

SMOOTH TRANSITION — Palestinian policemen arriving Friday at the former Israeli Army compound in Hebron to claim control of most of the West Bank city that Israeli forces had occupied for 30 years. Page 7.

NBA Suspends Rodman

Dennis Rodman of the Chicago Bulls was suspended Friday without pay for at least 11 games and fined $25,000 for kicking a photographer. (Page 19)

EUROPE Page 2.
'Mad Cow' Disease Theory Challenged

ASIA Page 4.
North Korea Spins a Bellicose Web

Books ... Page 5.
Crossword ... Page 3.
Opinion ... Page 7.
Sports ... Pages 18-19.

AGENDA

Lima Proposes Canada in Talks

The Peruvian authorities have suggested that Canada participate as an observer in negotiations that are being arranged between the government and the guerrillas holding hostages at the Japanese ambassador's residence in Lima. There was no response from the leader of the Tupac Amaru rebels. Canada would be represented by its ambassador, Anthony Vincent.

Meanwhile, the leftists released another hostage on Friday, bringing the number down to 73. (Page 3)

Serbian Government Loses Appeal on Vote

BELGRADE (Reuters) — A Serbian court rejected an appeal by President Slobodan Milosevic's Socialist Party of a ruling that had awarded an election victory to opposition forces in Nis, the country's second-largest city, an opposition leader said Friday.

"The court ruled that the Socialist Party's appeal was unfounded," said Zoran Zivkovic, a leader of the opposition coalition Zajedno. The Socialists submitted their appeal Thursday and the court turned it down Friday, he said, adding that he had received official notification of the ruling.

"The entire legal procedure regarding elections in Nis is now over," he said.

The Dollar		
New York	Friday close	previous close
DM	1.6175	1.5945
Pound	1.6882	1.6795
Yen	117.325	116.625
FF	5.4558	5.3795

The Dow		
	Friday close	previous close
+57.73	6833.10	6765.37

S&P 500		
change	Friday close	previous close
+6.42	776.17	769.75

The Second Time Around, the Thrill Is Nearly Gone

By Roxanne Roberts
Washington Post Service

WASHINGTON — Even President Bill Clinton concedes that his second inauguration will not be as exciting as his first one in 1993.

"It is true that our first inaugural was a very unique and exciting time for our country," Mr. Clinton said in a written response to questions. "I don't know if we can recapture that same excitement."

A first inauguration is like a wedding: filled with promise and a kind of innocence. The second is more like a wedding anniversary a few years later: You are still together, hopefully in love, but you have discovered all those annoying little habits — eating pretzels in bed, hoarding piles of old newspapers, inviting donors to sleep in the Lincoln Bedroom. The honeymoon, as they say, is over.

"By definition, second inaugurals have a lowered anticipation level," said a special events planner, Carolyn Peachey. Yet she explains that part of the problem is a narrow Washington mind-set.

"As a town, Washington is very jaded. We view a president's inaugural in political terms. The reality is that everyone outside the Beltway views it as a very important, patriotic occasion."

The relentlessly optimistic co-chairman of the Presidential Inaugural Committee, Terry McAuliffe, bridles at talk of sluggish ticket sales and unreserved hotel rooms. "All I can tell you, from what people are telling us, there has been terrific excitement," he said.

Mr. McAuliffe is exactly the type of guy you want beating the drums for a second inauguration.

"I don't think a second inauguration should just be about celebrating an election victory," he continued. "Everybody's entitled to celebrate the first election. The second inaugural is about his or her legacy and how that president will be remembered."

A successful inauguration, he says, "sets the tone for the second four years."

That means smoothing out the rough edges of a first term — Whitewater,

See INAUGURAL, Page 7

Greg Gibson/The Associated Press

TOP HONOR — Bill Clinton awarding Bob Dole the Presidential Medal of Freedom on Friday for his service in Congress and for heroism in World War II. Mr. Dole said, "I will cherish it as long as I live."

To Get Even, New Russia Takes U-Turn

By David Hoffman
Washington Post Service

MOSCOW — The lid was blown off the latest sensitive Russian security operation on Friday. It was called "Operation Foreigner," and it has sent a shiver down the spine of diplomats and expatriates all over the Russian capital.

This was no Cold War pot-boiler. No secrets were divulged, no samizdat manuscripts spirited out of the country, no dissidents sent to exile. Not even any high-tech bugs were involved. The new currency of Russian intrigue is money, and getting even.

The operation was carried out by the Moscow branch of Russia's State Automobile Inspectorate, a ubiquitous traffic police known for their knowledge of how many places in Moscow it is forbidden to turn left and a willingness to accept fines in cash on the spot.

"Operation Foreigner" was apparently staged in retaliation for a recent dust-up in New York between the police and a pair of diplomats from Russia and Belarus.

In the New York incident on Dec. 29,

See MOSCOW, Page 7

Lebed Rattles Washington With an Invitation No One Sent

By Peter Baker
Washington Post Service

WASHINGTON — Now that the mystery of who taped Newt Gingrich's phone call has been solved, Washington has moved on to a new riddle: Who invited this Alexander Lebed fellow to the presidential inauguration anyway?

Mr. Lebed, the former Russian security chief and continuing thorn in the side of the ailing Russian president, Boris Yeltsin, adamantly insists he has been invited to the ceremony Monday by none other than the president. Bill Clinton, through his minions, says he doesn't have a clue what Mr. Lebed is talking about.

[Mr. Lebed told AP Television in Munich on Friday: "Yes, I am going. On invitation from the U.S. Congress through President Clinton. I am having to repeat myself several times."]

[A spokesman for Senator William Roth, Republican of Delaware, said one of his constituents who has had contacts with Mr. Lebed had given him a ticket.]

Washington's diplomacy-minded folks are a bit unsettled about how to handle the situation. After all, Mr. Yeltsin didn't get an invitation and could hardly be thrilled at seeing his almost certainly future presidential rival get access to his American counterpart.

Mr. Lebed challenged Mr. Yeltsin during the election last year and finished a surprisingly strong third, prompting Mr. Yeltsin to install him in his administration. The former general's maverick ways quickly soured that, leading Mr. Yeltsin to dismiss him later in

See GUEST, Page 7

Newsstand Prices			
Andorra	10.00 FF	Lebanon	11,000
Antilles	12.50 FF	Morocco	18 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Dm
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Study of 'Mad Cow' Disease Challenges Prevailing Theory

By Rick Weiss
Washington Post Service

WASHINGTON — "Mad cow" disease is not caused by rogue brain proteins, as many scientists have come to believe, but by a more conventional infectious agent, such as a virus whose virulence is enhanced by the telltale proteins, according to study by French researchers.

The work could have important implications for human health, some researchers said, because recent studies have suggested that whatever is causing the cattle disease probably also causes a deadly brain disease in people.

Scientists suspect that related diseases in sheep, mink and other animals — and perhaps other diseases in humans — are caused by similar agents, which have never been isolated and do not behave like any known bacterium or virus.

A report on the research, which appeared in Thursday's issue of the journal Science, offers no new information about what actually may be causing mad cow disease. But scientists said it could benefit the field by directing attention away from the abnormal proteins commonly seen in the brains of infected animals.

"It could lead to an alternative way to try to fight the disease," said Corrine Lasmezas, a neurovirologist at the French Atomic Energy Commission in Paris who directed the study.

Mad cow disease, or bovine spongiform encephalopathy, has killed tens of thousands of cows since it was first recognized in 1986. Studies of brains taken from afflicted cows — and from other animals with related diseases — typically reveal the presence of peculiar proteins called prions that are unusually resistant to chemicals and heat.

No infectious disease has ever been shown to be caused by proteins, which lack the genetic material considered essential for biological replication.

But lacking evidence that a standard infectious agent such as a virus or bacterium is behind the disease, more researchers are coming to the radical conclusion — first proposed by Stanley Prusiner at the University of California at San Francisco — that mad cow and related diseases are caused by prions.

In the new work, Miss Lasmezas and her colleagues injected prion-rich brain tissues from cattle infected with mad cow disease into the brains of laboratory mice. As expected, the mice all became ill with the mouse equivalent of the disease. But when the researchers analyzed the brains of the dead mice, they found that fewer than half harbored prions.

The researchers then injected brain tissues from one of those sick, prion-free mice into the brains of 13 healthy mice. Again, all of the mice became ill with the disease. But again only about half were found to have abnormal proteins in their brains.

"That showed there was a transmissible agent in the brains, even though there were no abnormal proteins," Miss Lasmezas said. Perhaps, she added, the mice that did have prions in their brains had manufactured them as part of their response to the illness.

A third round of injections showed similar results. In all three experiments, however, sick mice with prions in their brains became ill faster and had a more severe version of the disease than sick mice without prions.

Miss Lasmezas suggested that the true cause of mad cow disease may be a tiny virus or even a "naked" piece of genetic material. She said prions, whether transmitted with that agent or produced by the sick animal, may make the agent especially virulent or better able to move into a new species.

That could be an important role, she and other scientists said, given recent studies suggesting that people who eat organs from sick cows are at risk of getting a human version of the illness called Creutzfeldt-Jakob disease.

Glenn Telling, a prion researcher who works with Mr. Prusiner, said the results were "interesting" but did not disprove the prion hypothesis. He said it was possible, for example, that the tests were not sensitive enough to detect low levels of prions that might have been present.

But others said the work affirmed their belief that prions alone are not deadly. "It goes along with the belief that this protein is important but is not enough to cause this disease," said Blas Frangione of the New York University School of Medicine. "There must be something else. Some people think it's a virus, others think it's another protein."

Canadian To Head UN Reform Bid

By John M. Goshko
Washington Post Service

UNITED NATIONS, New York — Maurice Strong, a Canadian businessman who has undertaken several UN missions, has been named senior adviser to the new secretary-general, Kofi Annan, to assist planning and executing a far-reaching reform of the world body.

Mr. Strong, whose salary will be $1 a year, is a senior adviser to the president of the World Bank in Washington. He will be Mr. Annan's principal aide for dealing with reform issues.

Mr. Annan, who took office Jan. 1, has said he would make reform the top priority of his first year in office. He was elected last month after the United States had blocked the re-election of his predecessor, Boutros Boutros Ghali, because the Clinton administration believed he was not committed enough to streamlining the UN bureaucracy.

The 185-nation organization has been near bankruptcy largely because some members have failed to pay dues and assessments totaling $3 billion. The United States owes about $1.3 billion.

Aides to Mr. Annan, a Ghanaian with more than 30 years in the UN bureaucracy, say he plans a two-stage attack on the problem during 1997. First, people close to the issue said, he will seek a consensus among members about priorities and resources, then plans to begin restructuring the bureaucracy.

Mr. Strong has headed Canadian power companies and was chairman of the Canada Development Investment Corp., a holding company for state enterprises. His was secretary-general of the 1970-72 UN Conference on Human Development and the 1992 UN Conference on Environment and Development, the so-called Earth Summit.

British Jury Bars Trial for War Crimes

Compiled by Our Staff From Dispatches

LONDON — Britain's first war crimes trial collapsed Friday when a jury ruled that Szymon Serafinowicz, a former police commander in Nazi-occupied Belorussia, was not mentally fit to stand trial.

The solicitor general, Sir Derek Spencer, said the government would not proceed against Mr. Serafinowicz, 86, who was accused of murdering three Jews during the German occupation of Belorussia, now Belarus, in 1941-42.

In a rarely used procedure, the question of the defendant's fitness was put to the jury after eight days of arguments and expert testimony at a pretrial hearing.

Mr. Serafinowicz's defense team contended that he was suffering from dementia, probably due to Alzheimer's disease, and would be unable to comprehend the charges and testimony.

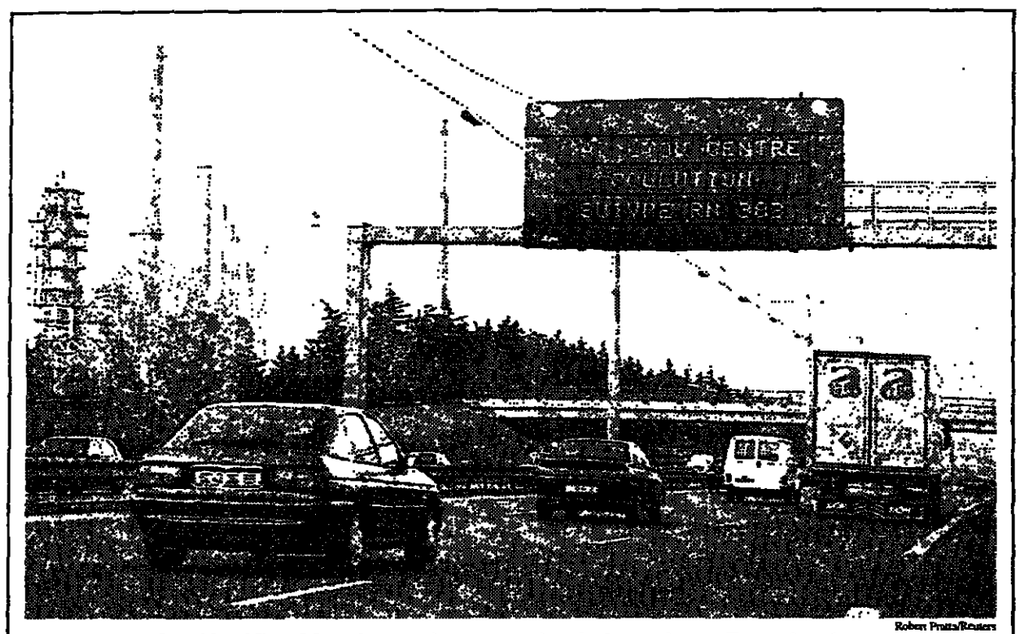
Dr. Nicholas Stoy, who had been Mr. Serafinowicz's physician from 1979 until last summer, testified that his mental condition had deteriorated markedly between 1995 and 1996.

But the prosecution called its own expert witness, Dr. Philip Joseph, a consultant psychiatrist, who testified that he believed Mr. Serafinowicz was capable of standing trial. He said Mr. Serafinowicz was only "suffering the normal memory loss associated with aging."

Mr. Serafinowicz, 86, was accused of having taken part in a massacre in the town of Mir in November 1941 in which up to 2,000 Jews — a third of the town's population — were killed. He came to Britain after the war and worked as a carpenter. Mr. Serafinowicz had denied the charges.

He was arrested in July 1995 by a special police war crimes unit set up under a 1991 law.

Britain's Crown Prosecution Service says it is considering bringing five cases to court, but Mr. Serafinowicz's was believed to have been the one it thought most likely to succeed. *(Reuters, AP)*



Robert Pratta/Reuters

POLLUTION WARNING — Motorists passing a petrochemical complex on France's A6 expressway were warned to stay away from the center of the city of Lyon because of dangerous levels of air pollution this week.

Iraq Warns Paris On Leader's Son

Compiled by Our Staff From Dispatches

BAGHDAD — The newspaper of the Iraqi ruling party said Friday that France would be committing a grave error if it went ahead with its decision not to allow medical treatment on its territory for President Saddam Hussein's eldest son, Udai Hussein.

"If the news is true, we will find that the French government would be committing a big mistake," the Ba'ath Socialist Party newspaper Ath Thawra said in a front-page editorial, adding, "This may cause harm to it."

France said Sunday that Mr. Hussein, who was wounded in an assassination attempt in Baghdad last month, would not be given medical treatment on its soil. A Foreign Ministry spokesman did not give a reason for the decision.

Ath Thawra said France made its "wrong decision" because it feared reaction from the United States and Britain.

"It's not just a simple rejection of a request for the treatment of a sick person," the article said. "This decision is based on purely political considerations." *(Reuters, AFP)*

Irish Court, Anticipating New Law, Grants First Divorce to Dying Man

By James F. Clarity
New York Times Service

DUBLIN — Ireland's High Court on Friday granted the first divorce in the history of this overwhelmingly Roman Catholic country, whose voters narrowly approved a constitutional change permitting divorce in a November 1995 referendum.

That approval, by a margin of 50.3 percent to 49.7 percent, survived a challenge in the Supreme Court and made Ireland the last country in Europe to permit divorce.

But the decision Friday by Justice Henry Barron was made in special circumstances — involving a husband who is critically ill — and does not mean that divorces will soon be granted to the tens of thousands of men and women who want them. The vast majority of those people, among an estimated 80,000 in broken marriages, still face delays in having their cases heard.

The High Court acted under the constitutional amendment that removed the divorce ban, but to do so Justice Barron had to waive the official date that the law takes effect, Feb. 27. The court proceedings were closed to reporters. The names of the divorced couple, and most other details were not disclosed.

Lawyers involved in the case said that the husband was a man in his 50s who has lived apart from his wife for more than the four years stipulated by the new law, and that his wife did not oppose the action, although she did not want the divorce. The man, who was reported to be so ill he may not live until the law takes effect, has a permanent relationship with another woman and they have one child. By his first marriage, there are three adult children.

There was no immediate comment from Prime Minister John Bruton or his government. His administration advocated the removal of the ban in a bitter campaign in which the Roman Catholic Church opposed the change, but did not say Catholics voting in favor of it would be committing a sin.

Nor was there any public gloating by those who supported the change, or complaining by those who insisted that divorce would corrupt the fabric of society in this country of 3.5 million people, 93 percent of them Catholics.

Tutu Has Surgery for Malignancy

The Associated Press

CAPE TOWN — Archbishop Desmond Tutu, the South African Nobel Peace Prize laureate, has had surgery to remove a cancerous prostate gland, it was announced Friday.

A statement by the Truth and Reconciliation Commission, which he heads, said it was too early to assess if the cancer had spread beyond the prostate.

Archbishop Tutu, 65, later allowed journalists into his hospital room and said he hoped to return to work on the Truth Commission, which is investigation apartheid-era political crimes, in three weeks. "I hope I would be able to be part of that team until we finish," he said.

A statement issued Thursday announced the removal of part of the prostate. In that statement, Archbishop Tutu said he felt fine and that doctors found no malignancy. But further tests showed there was cancer in the prostate, he said Friday.

TRAVEL UPDATE

Greek Flights Delayed

ATHENS (Reuters) — Greek seamen defied a court ruling declaring their walkout illegal Friday and civil aviation employees joined in strikes that have disrupted Greece's air and sea transportation.

Ships remained idle in ports for a fifth day while flights were canceled or delayed, officials said.

Air traffic controllers held a four-hour work stoppage and plan to repeat it Sunday afternoon. Airport electrical engineers are scheduled to begin a three-day strike Saturday.

Midwest Cold Spreads

MINNEAPOLIS (AP) — Snow stranded people in cars and trapped them in their homes, and dairy farmers were forced to dump their milk because trucks could not pick it up.

Residents of the Upper Midwest and Plains continued to be bombarded by snow and frigid cold, while parts of the East, Southwest and the South were not spared the blizzard-like conditions Friday.

Cold, snow or freezing rain forced many schools to close in Illinois, Indiana, Michigan, upstate New York, North Carolina, Ohio, Oregon Pennsylvania and Wisconsin.

The union that represents nearly a third of Alitalia flight attendants declared a 24-hour strike Friday to protest a contract package with a lower-cost sister carrier. *(AP)*

BRIEFLY EUROPE

Yeltsin Recovering

MOSCOW — President Boris Yeltsin is likely to leave the hospital in the next few days and attend a meeting of leaders of former Soviet republics planned later this month, the Kremlin said Friday.

"It will be in the next few days, but not during the weekend," a presidential spokesman, Sergei Yastrzhembsky, said of Mr. Yeltsin's release date.

The spokesman said that Mr. Yeltsin, who has been hospitalized with pneumonia since Jan. 8, was recovering well and had taken part in an impromptu birthday celebration for his daughter Tatiana. Mr. Yeltsin is also reported to have worked for three hours Friday preparing his annual address to Parliament and considering decrees. *(Reuters)*

Standoff in Sofia

SOFIA — Bulgaria's ruling Socialists refused to give way Friday to a chorus of demands for early elections by students, striking workers and an exiled king.

The former Communists, unmoved by a 12th day of popular unrest, stuck to their insistence on forming a new cabinet but said that talks could resume when President-elect Petar Stoyanov was sworn in Sunday.

Thousands took to the streets of Sofia again to demonstrate against economic misery and for general elections, which are not constitutionally required for almost two years. The opposition is boycotting Parliament until its demands are met, but has said it will attend the inauguration. *(Reuters)*

Basque Is Arrested

MADRID — Spain on Friday cheered France's arrest of one of the most wanted leaders of the Basque separatist guerrilla group ETA, calling it another step toward peace in the troubled Basque region.

The French police arrested Jose Luis Urrusolo in Bordeaux on Thursday night. One of ETA's top three leaders, he is thought to have been involved in the killing of more than 16 people.

"This is a significant move toward peace because Urrusolo played an important role within ETA," said Interior Minister Jaime Mayor Oreja. "He is not only the most callous terrorist of all but he is also the most famous." *(Reuters)*

Internet Test Case

BERLIN — Stepping up a crusade to stamp out extremism in cyberspace, German prosecutors said Friday that they had filed charges against a leftist politician in a case that could further extend the reach of Internet law.

Prosecutors broke new ground in pursuing, in this case, not an extremist publication but someone accused of leading others to "suspect" Internet pages through her own home page.

Berlin prosecutors are investigating Angela Marquardt, 25, a deputy leader of Germany's Party of Democratic Socialism, to see if she broke the law by putting a "hyperlink" on her home page allowing others access to Radikal, an Internet magazine. The magazine has been banned in Germany from publishing instructions on how to sabotage railway lines.

"It is illegal in Germany to teach others how to commit a felony or to sanction a felony," said the Berlin prosecutor's office. "Those who committed the initial crime of writing the articles in Radikal are as yet unidentified, but Ms. Marquardt appears to have committed the crime of aiding this felony. Press freedom does not go that far." *(Reuters)*

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8812 or 020-6451 653.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Pibrac, Colomier. Sunday service. 6:30 p.m.Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Buffa, Sun. 11: **VENCE:** St Hugh's, 22, av. Résistance, 9 a.m. Tel: 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays 11 a.m. 9, rue Louis Notary, Monte Carlo. Tel.: 377 92 16 56 47.

MUNICH

INTERNATIONAL COMMUNITY CHURCH. Evangelical Bible Believing services in English 4:30 p.m. Sundays at Einhuberstr. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9.45 First Service concurrent with Sunday School, 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info. call 01 47 51 29 63.

HOPE INTERNATIONAL CHURCH Hotel Okon at Pans-la-Défense. 8 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller, Pastor. Tel.: 01 43 33 04 06. Métro 1 to la Défense Esplanade

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m., Sun. 9.45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 28 56. Metro: Charles de Gaulle - Etoile.

ST. MICHAEL'S CHURCH (evangelical Anglican) Sundays 10:30 a.m. (with children's club and creche) and 6:30 p.m. Midweek study groups. Christ-centered fellowship in the heart of Paris. 5 rue d'Agueseau, 75008 Tel.: 01 47 42 70 88 Metro: Concorde.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674. Sundays 10:30 Mitlere Strasse 13, CH-4056 Basel.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH. Sun. 9 a.m. Rite I & 11 a.m. Rite II Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Renz St. 22, 60323 Frankfurt, Germany, U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist 2nd & 4th Sun. Morning Prayer 3 rue de Monthoux, 1201 Genève, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School. Nursery Care provided Seybothstrasse 4, 81545 Munich (Harlaching). Germany Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.. 39/6 488 3339 or 39/6 474 3569

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain. Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohentorshr. Hermann-Base-Str. Worship Sun. 17:00, Pastor telephone: 04791-12877.

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3860.

BUDAPEST

I.B.C., meets at Moricz Zsigmond Gimnazium, Toroklvesz ut 48-54. Sun 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP. Sodenerstr. 11-18, 63150 Bad Homburg. A friendly, Christ-centered, church serving the English-speaking community. Sunday Worship, S.S. & Nursery 09:45, Weekday Groups. Pastor: M.P. Lewey. Call 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English). Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamplaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 92 05 98.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich. Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH. Nibelungenallee 54. Sun. Worship 11 a.m. Tel. 069/95631068 or 512552.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30, in German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Pans 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service. Sunday School & Nursery. Sundays 11:30 a.m., Schanzengasse 25. Tel : (01) 2625525.

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MS EUROPA
at Sea

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

North America
The Northeast and mid-Atlantic will remain cold through Tuesday, but each day will be less harsh than its predecessor. The Great Lakes will become more seasonable by Monday, while the Plains and Rockies are milder than normal. Unsettled and turning cooler in the West.

Europe
Temperatures across much of Europe will remain near to above normal through Tuesday. Western Europe, including Paris, London and Amsterdam, will be unsettled and turning cooler. Eastern Europe into western Russia will stay dry for the most part into next week.

Asia
Beijing will have a gradual moderating trend, while Manchuria and both Koreas, including Seoul, will stay cold and dry through the period. This cold air will eventually overspread much of Japan, including Tokyo, by Tuesday. Seasonable in Hong Kong and Singapore.

Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	15/59	13/55 r	14/57	8/43 r
Amsterdam	8/46	3/37 pc	7/44	3/37 r
Ankara	3/37	-8/22 pc	4/39	-5/24 s
Athens	14/57	8/43 pc	12/55	6/43 s
Barcelona	12/53	6/46 s	13/55	9/48 r
Belgrade	7/44	-1/31 pc	5/41	0/32 pc
Berlin	4/39	1/34 sh	7/44	2/35 pc
Brussels	8/46	4/39 pc	8/46	4/39 r
Budapest	6/43	-1/31 pc	3/37	1/34 r
Copenhagen	6/43	2/35 sh	6/43	2/35 pc
Costa Del Sol	15/53	13/55 sh	17/62	10/50 sh
Dublin	9/48	8/46 r	8/46	5/41 r
Edinburgh	7/44	6/43 sh	7/44	3/37 r
Florence	10/50	4/39 c	9/48	7/44 sh
Frankfurt	4/39	-1/31 sh	6/43	2/35 pc
Geneva	5/41	3/37 sh	7/44	4/39 r
Helsinki	1/34	-3/26 c	2/35	-5/23 sn
Istanbul	9/48	7/37 s	10/50	5/41 pc
Las Palmas	24/75	18/64 s	20/68	12/53 pc
Lisbon	13/55	10/50 r	11/52	3/37 r
London	8/46	7/37 pc	8/46	2/35 r
Madrid	12/53	5/41 c	11/52	-4/25 pc
Mallorca	11/52	5/48 c	12/53	11/52 r
Milan	4/39	2/35 sn	7/44	4/39 r
Moscow	-7/20	-8/18 c	-3/27	-4/25 sf
Munich	4/39	1/34 sh	7/44	2/35 c
Nice	12/53	9/48 r	13/55	9/48 r
Oslo	3/37	-1/31 sn	3/37	-5/24 pc
Paris	9/48	3/37 pc	6/43	-1/31 sh
Prague	3/37	0/32 sh	5/41	2/35 c
Reykjavik	-4/25	-6/22 s	1/34	0/32 c
Rome	10/50	2/35 c	16/61	8/46 pc
St. Petersburg	-3/27	-4/25 sn	-1/31	-2/29 sn
Stockholm	1/34	1/34 sn	4/39	-2/29 c
Strasbourg	5/41	3/37 sh	8/46	4/39 r
Tallinn	1/34	-2/29 c	1/34	-4/25 sn
Venice	8/46	2/35 pc	8/46	4/39 sh
Vienna	0/32	-2/29 pc	7/44	3/37 pc
Warsaw	2/35	-2/29 pc	4/39	0/32 s
Zurich	3/37	2/35 sn	7/44	4/39 sh

Middle East

Abu Dhabi	21/70	11/52 s	22/71	10/50 s
Beirut	15/59	8/46 s	16/61	9/48 s
Cairo	15/59	8/46 pc	16/61	7/44 pc
Damascus	8/46	0/32 pc	10/50	1/34 pc
Jerusalem	9/48	2/35 pc	10/50	2/35 pc
Luxor	18/66	4/39 s	23/73	2/35 s
Riyadh	17/62	6/39 s	20/68	7/44 s

North America

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Anchorage	-3/27	-9/15 sf	-3/27	-7/20 sf
Atlanta	1/34	-5/22 s	7/44	0/32 pc
Boston	-9/16	-16/4 s	-7/20	-11/13 sf
Chicago	-10/15	-16/4 pc	-1/31	-11/13 pc
Dallas	4/39	-1/31 s	11/52	4/39 s
Denver	7/44	-3/26 pc	11/52	0/32 pc
Detroit	-11/13	-14/7 pc	-3/26	-12/11 sf
Honolulu	23/73	17/62 pc	27/80	17/62 pc
Houston	8/46	1/34 pc	12/53	6/43 pc
Los Angeles	21/70	9/48 s	21/70	11/52 pc
Miami	19/66	10/50 pc	22/71	14/57 s
Minneapolis	-12/11	-17/2 pc	-1/31	-9/16 pc
Montreal	-13/-2	-22/-7 pc	-10/15	-18/4 pc
Nassau	22/71	14/57 s	23/73	15/59 s
New York	-9/16	-13/9 pc	-4/25	-9/16 pc
Orlando	12/53	1/34 s	19/66	7/44 s
Phoenix	21/70	8/46 s	24/75	11/52 s
San Fran.	14/57	9/43 pc	14/57	8/46 sh
Seattle	10/50	4/39 sh	12/53	6/43 sh
Toronto	-12/11	-14/7 c	-4/25	-11/13 c
Vancouver	10/50	4/39 sh	12/53	2/35 sh
Washington	-9/16	-11/13 pc	-3/27	-9/16 pc

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Bali	32/89	25/77 t	32/89	23/73 t
Bangkok	33/91	23/73 pc	32/89	22/71 pc
Beijing	6/43	-3/27 s	6/43	-4/25 s
Bombay	27/80	18/61 s	28/79	18/61 pc
Calcutta	22/71	8/46 s	24/75	10/50 s
Chiang Mai	34/93	21/70 pc	32/89	20/68 pc
Colombo	30/86	23/73 pc	29/84	21/70 pc
Hanoi	23/73	14/64 pc	22/71	15/61 pc
Ho Chi Minh	33/91	21/70 s	32/89	22/71 pc
Hong Kong	21/70	17/62 pc	20/68	18/61 pc
Islamabad	12/53	7/44 sh	14/57	4/39 r
Jakarta	32/89	23/73 t	29/84	23/73 c
Karachi	23/73	11/52 pc	24/75	4/39 s
K. Lumpur	32/89	23/71 t	31/88	22/71 pc
K. Kinabalu	32/89	25/77 sh	31/88	24/75 sh
Manila	29/84	19/66 pc	29/84	20/68 pc
New Delhi	24/75	8/46 s	18/61	8/43 r
Phnom Penh	32/89	23/71 pc	30/86	22/71 pc
Phuket	33/91	23/71 pc	32/89	22/71 pc
Pangalan	33/91	22/71 pc	31/88	22/71 pc
Seoul	0/32	-7/20 s	1/34	-5/24 pc
Shanghai	7/44	2/35 sh	9/48	1/34 pc
Singapore	30/86	25/77 sh	31/88	25/77 sh
Taipei	21/70	17/62 c	22/71	18/64 c
Tokyo	12/53	1/34 pc	7/44	0/32 s
Vientiane	22/71	17/62 pc	22/71	17/62 pc

Africa

Algiers	18/61	9/43 pc	22/71	12/53 pc
Cape Town	31/88	17/62 s	28/79	17/62 pc
Casablanca	21/70	13/53 pc	19/66	9/48 r
Harare	28/84	9/48 s	30/86	9/48 s
Lagos	31/88	22/71 pc	30/86	22/71 pc
Nairobi	31/88	12/53 s	31/88	12/53 s
Tunis	15/59	10/50 sh	17/62	10/50 pc

Latin America

Buenos Aires	33/89	19/66 sh	28/82	15/59 pc
Caracas	29/84	21/70 pc	29/84	22/71 pc
Lima	29/79	21/70 t	26/79	21/70 sh
Mexico City	15/59	4/39 pc	17/62	4/39 c
Rio de Janeiro	27/80	22/71 pc	28/82	22/71 pc
Santiago	32/89	11/52 s	30/86	12/53 s

Oceania

Auckland	20/68	12/53 pc	17/62	9/48 pc
Sydney	22/71	14/57 pc	23/73	17/62 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hc-a, W-Weather All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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Peru Proposes Canada Sit In On Negotiation Over Hostages

By Gabriel Escobar
Washington Post Service

LIMA — The Peruvian government, in the latest effort to deal with the hostage situation here, on Friday suggested Canada as a possible observer in the negotiations and offered to hold the sessions at a neutral site near the Japanese ambassador's residence.

In what is now a familiar tactic in the 31-day crisis, the government envoy, Domingo Palermo, appeared to have an olive branch in one hand and a club in the other. After assurances that the leader of the Tupac Amaru Revolutionary Movement, Nestor Cerpa Cartolini, would have safe transport to the talks, Mr. Palermo said the only objective of the conversations was to provide an "eventual exit" for the rebels and the release of the hostages.

There was no response from Mr. Cerpa, who over the last two days has said that the fate of the hostages depends on the government responding "favorably" to its demands, which include releasing more than 400 imprisoned Tupac Amaru members. In his brief comments Friday, Mr. Palermo pointedly said that "conversations do not contemplate the liberation of prisoners."

With both sides maneuvering for position and sending conflicting signals, the only clearly positive development Friday was the release of a hostage, the first since Jan. 1. The freed man, identified as Luis Valencia, was released for medical reasons, reducing the number of hostages to 73.

The government's selection of Canada for membership in a special commission must be approved by Mr. Cerpa, whose request to have Guatemala mediate was rejected Thursday. If approved, Canada will be represented by its ambassador here, Anthony Vincent. A career diplomat who has served in the Middle East, Mr. Vincent was initially a hostage but was released less than a day after the takeover.

Claude Dusseau/Reuters

A man and child cycling through a barricade of burning tires in the slums of strikebound Port-au-Prince.

Rioting and Strikes Spread Throughout Haiti

The Associated Press

PORT-AU-PRINCE, Haiti — Protesters burned tires and threw stones in cities across Haiti on Thursday, demanding government resignations and an end to big budget cuts.

A young man was reported killed when security guards fired on a mob that stormed a food warehouse in Cap-Haitien. The mob then attacked the precinct police station, which they ransacked after the policemen fled.

In Port-au-Prince, the capital of 2 million people, shops stayed shut, parents kept their children home from school, and no buses were running in the largest of a series of anti-government strikes.

Testimony Concludes in Simpson Civil Case

Los Angeles Times

SANTA MONICA, California — Testimony has concluded in O.J. Simpson's civil trial with the promise that jurors will begin deliberations next week on evidence delivered by about 100 witnesses — from DNA scientists to grieving parents, from police detectives to the defendant himself.

The jurors will weigh more than 2,500 exhibits and 41 days of testimony spread out over the past three months. Their job is to decide whether Mr. Simpson was responsible for the murders of his former wife, Nicole Brown Simpson, and her friend Ronald Goldman.

If the jurors find Mr. Simpson liable, they must determine how much he should pay Mr. Goldman's parents to compensate them for the loss of their son's love and companionship. (The Browns are not asking for that kind of compensation.) They also will be asked to decide whether punitive damages are in order.

Mrs. Simpson's children with Mr. Simpson are the beneficiaries of her estate; Mr. Goldman's parents are his legal heirs. If jurors elect to award punitive damages, a second phase of the trial would begin almost immediately. Both sides would present evidence about Mr. Simpson's financial assets, and jurors would determine an appropriate dollar figure.

The two sides were to discuss jury instructions with the judge Friday, and will present closing arguments Tuesday and Wednesday.

The plaintiffs concluded their rebuttal case Thursday with two familiar faces: Gerald Richards, a photo analyst, and William Bodziak, an FBI footwear expert who returned to the stand to testify about 30 full-length photos of Mr. Simpson at a 1993 football game.

Mr. Richards concluded that the snapshots were authentic; Mr. Bodziak testified that in them, Mr. Simpson is wearing Bruno Magli shoes — the same Italian brand that left size-12 bloody footprints at the murder scene.

Mr. Simpson's lawyers agree that the shoes in the photos are Bruno Maglis. But they contend that the pictures are phony.

GINGRICH: *$300,000 Fine Urged*

Continued from Page 1

should get only the mildest sanction available to the ethics committee, a letter of reproof.

"No one is above the rules of the House," Representative Nancy Johnson, Republican of Connecticut and chairman of the House ethics committee, declared at the outset of a public hearing. She called the recommended penalty "tough and unprecedented compared to past cases."

Mr. Gingrich's lawyer, J. Randolph Evans, told the committee: "Upon realizing that errors were made, Speaker Gingrich has openly and publicly accepted responsibility for these errors and has offered his sincere apologies to this committee and the House."

Minutes into the public proceeding, Mr. Cole said, "The subcommittee and I feel that we have come up with a fair result and a fair resolution of this matter. This is evidenced by the fact that Mr. Gingrich has agreed that in fact this is an appropriate characterization of the charges against him."

The financial penalty was described by congressional officials as a reimbursement for extra work that the committee performed because of inaccurate statements submitted under the speaker's name.

In one of many scathing characterizations of Mr. Gingrich's behavior, the Cole report said:

"The violation does not represent only a single instance of reckless conduct. Rather, over a number of years and in a number of situations, Mr. Gingrich showed a disregard and lack of respect for the standards of conduct that applied to his activities."

The report said Mr. Gingrich's conduct in the cited transgressions "was intentional or it was reckless." It also said the ethics investigative subcommittee believed that Mr. Gingrich had violated a December agreement not to have surrogates "sent out to comment" on the committee's findings "and attempt to mischaracterize it."

Shortly after Mr. Gingrich acknowledged his violations on Dec. 21, he and other Republican leaders were heard on a phone call — apparently taped illegally — plotting defense strategy.

The subcommittee decided to take no action on that issue. *(AP, Reuters)*

POLITICAL NOTES

Rubin's Warnings On Budget Plan

WASHINGTON — Treasury Secretary Robert Rubin told Congress on Friday that approval of a balanced-budget amendment to the Constitution would expose the U.S. economy to "unacceptable risks." But he admitted that it would be a difficult to stop the amendment.

Mr. Rubin, in testimony before the Senate Judiciary Committee, said that 26 years on Wall Street had convinced him of the importance of fiscal responsibility. But he added that a constitutional amendment to achieve that aim was the wrong approach to take and would have serious consequences.

"A balanced-budget amendment could turn slowdowns into recessions and recessions into more severe recessions or even depressions," Mr. Rubin said. "It could prevent us from dealing expeditiously with emergencies such as natural disasters or military threats."

He complained that any type of escape clause to allow for unbalanced budgets during economic downturns would be seriously flawed because of the time required for Congress to reach a consensus on the need to use it.

In an interview Thursday in his office, Mr. Rubin acknowledged that sentiment in favor of the amendment, which was defeated by one vote in the Senate last year, appeared to be building on Capitol Hill.

"This will be an uphill battle," said Mr. Rubin, who has been the administration's most outspoken opponent of the proposed constitutional limit.

But he insisted that "those who count the votes say the outcome is still uncertain and it is monumentally important that the balanced-budget amendment not be put in place." *(AP, NYT)*

Clinton Popularity At Highest Level

WASHINGTON — President Clinton will begin his second term with the highest approval rating since he came to the White House in 1993, according to a CNN/USA Friday poll.

The survey, conducted by the Gallup Organization for the news organizations, showed that 62 percent of those interviewed approved of Mr. Clinton's job performance.

The numbers were similar to those made public earlier this week by the Pew Research Center — Mr. Clinton scored a 59 percent approval rating, which was called the highest ever recorded by this particular survey.

A pollster, Andrew Kohut, said Mr. Clinton was enjoying a honeymoon with voters fairly typical for second-term presidents at inauguration time. *(Reuters)*

Quote/Unquote

Haley Barbour, who is stepping down as the Republican National chairman: "We are failing today to effectively communicate to many women and minorities why our proposals are the right policies to solve the problems that concern them most and our failure to connect is what creates the opening for Democrats." *(WP)*

Away From Politics

• An unmanned rocket carrying a navigation satellite for the air force blew up 13 seconds after liftoff from Cape Canaveral, Florida. No injuries were reported. *(AP)*

• A small plane whose pilot had apparently been overcome by carbon monoxide fumes flew over parts of three states with a untrained teenage girl at the helm before crashing in New Hampshire. Both were killed. *(AP)*

• Explosives experts in Atlanta resumed their search for clues in the wreckage left by two bomb blasts that wounded half a dozen people outside an abortion clinic. *(Reuters)*

• Six more Mexicans who illegally entered the United States by trekking through the mountains into California have died of exposure, bringing the immigrant death toll to 13 so far this year, officials said. *(AP)*

• Perhaps the most far-ranging state-by-state comparison of education in America cites West Virginia and Kentucky as two states that have made great strides and Arizona and Louisiana among states near the bottom. But it gives no state consistently high grades. *(NYT)*

• A baby girl believed to have been the youngest U.S. heart transplant recipient died in Miami, nine weeks and four days after surgeons gave her a new heart when she was barely 90 minutes old. Cheyenne Pyle was born Nov. 10. *(AP)*

Cosby Son's Killing Was Quick

Motive Unclear as Police Prepare a Sketch of Suspect

The Associated Press

LOS ANGELES — The gunman who killed Bill Cosby's son was at the crime scene only momentarily, the Los Angeles police chief said Friday as investigators prepared a composite sketch of the attacker.

The police say Ennis William Cosby, 27, may have been the victim of a roadside robbery attempt after he pulled his Mercedes-Benz convertible off a freeway to fix a flat tire, although nothing apparently was taken.

His father is one of the world's richest entertainers, a man for whom fatherhood was the wellspring of his stand-up comedy, a best-selling book and the most popular TV series of the '80s, "The Cosby Show."

The woman who found the body with a gunshot wound to the head described the attacker as a white man.

"The perpetrator was only there for a few moments or a few seconds, but we don't know what was in his mind," Chief Willie Williams told a television interviewer. He said the police hoped to release the composite sketch later Friday.

The woman, Stephanie Crane, told the police that Mr. Cosby was on his way to see her when he telephoned to say he would be delayed because of a flat tire, the Daily News in New York reported, citing unidentified police officials.

She drove to Mr. Cosby's disabled car, spoke briefly to him and waited in her car to stay warm, the newspaper reported. She told the police she became nervous and drove away when a suspicious man walked toward Mr. Cosby's car. When she returned a few minutes later, she found Mr. Cosby's body.

Top Court to Review Church-State Ruling Affecting the Schools

The Associated Press

WASHINGTON — The Supreme Court agreed Friday to consider reversing its 12-year-old decision barring public school teachers from offering remedial help at parochial schools.

A new decision, expected by July, will probably provide new constitutional guidelines for church-state relations. Arguments will be held in April.

The court, which is now far less demanding than it once was in requiring a strict separation of church and state, said that it would study appeals by New York City school officials and parents of parochial school students.

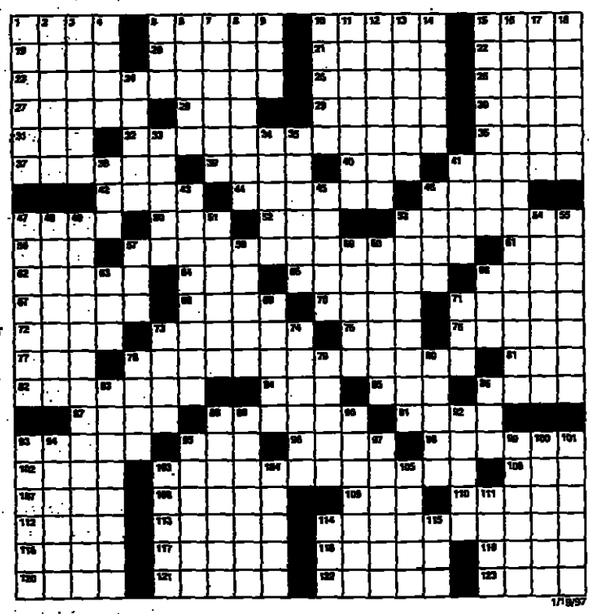
The Clinton administration supported the appeals in a friend-of-the-court brief that said that the 1985 Supreme Court ruling was wrong and had resulted in "hundreds of millions of dollars" of needless administrative costs.

By a 5-4 vote in 1985, the nation's highest court had ordered New York to stop sending public school teachers into parochial schools to teach such subjects as remedial reading and math.

PRESIDENTIAL PUNDITRY, By Bob Klahn

ACROSS
1 Mogul capital of India
5 Pundit
10 Dead duck
15 Tormé forte
19 Dinner's often on him
20 "Les Miz" setting
21 1836 battle site
22 Like some traffic
23 Movie about a boy's Presidential aspirations?
25 — Drusilla (mother of Tiberius)
26 Trigger puller?
27 Home of the Minotaur
28 Tango maneuver
29 Places for races
30 95-Down finisher
31 Cause of inflation?
32 Presidential biography by Noël Coward?
36 Italian wine region
37 — Hall (historic Princeton site)
39 Bank deposit
40 Great time
41 "That is to say ..."
42 Stuffed shirt
44 "Dirty Hands" playwright
46 China setting
47 Spruce
50 Golf
52 Christie's "— M?"
53 Country guitar player, e.g.
56 At bat stat
57 What the First Lady's critics did over a bottle of bathtub gin?
61 Indianapolis's — Dome
62 Cliff hanger?
64 Rembrandt van —
65 Skittish
66 Dreamscape artist
67 One of the Horae
68 Current choice
70 Exclusive
71 Pickle flavoring
72 Basketball maneuver
73 Shelved for now
75 Hollow
76 Pizazz
77 Gained a lap
78 Mathematical rules governing the Vice President's macarena?
81 Hard-rock connection
82 Turn into something big
84 Memo starter
85 Prominent tower
86 Agonize
87 Rec center
88 At the scene
91 1984 Peace Nobelist
93 Children's author Eleanor
95 New Deal proj.
96 Narrowly defeats
98 S.A.T. score
102 60's draft deferment category
103 Vice President's wife at the Starlight Diner?
106 Belfast grp.
107 Baseball Hall-of-Famer Waite —
108 Basil's "Captain Blood" co-star
109 Catch on
110 Pert
112 Flood avoider
113 Timex rival
114 Head and tail of the victorious First Cat?
116 Avalon, for one
117 Chihuahua bites
118 Bye word
119 Atlantic City attraction
120 "Clueless" lead role
121 "— Canyon"
122 Skein game?
123 Contemporary of Garbo

DOWN
1 Depth charge
2 Excitement, in hymns
3 Cowboys
4 Be a partner in crime
5 Obsolete geog. abbr.
6 Like unkept yards
7 Stands by for
8 "Aida" setting
9 Returns home?
10 Lively dance in duple time
11 "Sleuth" co-star
12 Old 48-Down kingdom
13 Iago's wife
14 Rake over the coals
15 Arrive in droves
16 Star of a sitcom in which the First Daughter learns syntax?
17 Whitney Houston's record label
18 Get, as a radio broadcast
24 Prohibit
33 One of Nintendo's Mario Brothers
34 African antelope
35 Detroit brew
38 Scout
41 Essex exclamation
43 Kitchen fixture
45 Comings and goings
46 With a twist?
47 Gallivant
48 Basque, e.g.
49 Where the President went without collecting $200?
51 Hitchcock classic
53 Defiant words
54 Overshadow
55 Umbrella alternative
57 Balmoral Castle river
58 Where Gideon defeated the Midianites
59 Off one's trolley
60 Humbert Humbert's obsession
63 Publicity
66 Burns and Allen, e.g.
69 Staff leaders
71 Inc. listings
73 "The Three Sisters" sister
74 On the clothesline
78 Moves like a comet
79 Band command
80 Purple shade
83 Into the wind
86 It's a wrap
88 Not neat
89 60-Down's creator
90 Show piece?
92 Clipped
93 Italian or Mexican, e.g.
94 Rushing sound
95 Terrorist tactic
97 Coin of the realm
99 Actress Jacqueline
100 Sleuth Lupin
101 Attacks violently
103 They're held for questioning
104 Words of resignation
105 Short dogs, for short
111 Grills
114 Wilt
115 Good name for a lawyer?



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Solution to Puzzle of Jan. 11-12

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U.S. Official Sees No Letup in Pyongyang's Hostility

By Kevin Sullivan
Washington Post Service

SEOUL — North Korea, the most reclusive country on Earth, opened a home page on the World Wide Web this week to launch its purple propaganda into cyberspace.

Computer users all over the world can now read the Stalinist regime's official pronouncements about the "fascist outrages" of South Korea's "puppet" leaders, about the "crimes" of the "U.S. imperialists," and about how North Korea's leader, Kim Jong Il, recently received lovely floral baskets from Iran, Libya and Cuba (at http://www.kcna.co.jp).

While the North's constant stream of invective seems almost comically absurd, James Laney, the departing U.S. ambassador to South Korea, who has had to withstand and decipher it for more than three years, warns that it has serious consequences on the Korean Peninsula, one of the most politically unstable places in the world.

"I don't like it when I'm caricatured by the North as the governor general of an American colony," said Mr. Laney, who is stepping down at the end of this month. "The North must realize that this is a cheap adolescent form of behavior that may be satisfying emotionally, but it is certainly detrimental to its desire to take its place among other nations. It has got to stop that nonsense."

There was speculation that North Korea's propaganda machine would slow down after last month's apology for a submarine incursion into South Korea last September. In addition to expressing "deep regret," North Korea also agreed to meet with American and South Korean officials later this month to discuss the possibility of holding negotiations toward a formal end to the 1950-53 Korean War.

But immediately after the apology, a broadcaster on North Korea's official state radio insisted that it was the South Koreans who had "admitted their crime and apologized" for the submarine incident. That line is now being continued on the new home page, which is run by a large North Korean residents association in Tokyo.

In an interview, Mr. Laney said that despite North Korea's continuing propaganda efforts, its apology and willingness to consider peace talks are signs that Pyongyang understands that it needs help to solve its severe food shortages and chronic economic failure.

"Those of us who live out here see this as a good sign; to say that we are encouraged is a little strong," Mr. Laney said. "I don't think it portends a change of heart on the part of the North Koreans or that we're breaking out of the storm into sunshine and clear sailing. But the North Koreans are coming to terms with reality. North Korea, has got a terrible problem. It cannot feed its people adequately; its industry is operating at a fraction of its capacity."

Mr. Laney said signs of North Korea's instability are increasing. He said a black market has emerged there, which is remarkable because of the government's tight control. Mr. Laney said reports from Pyongyang indicate that private citizens are now demanding that visiting foreigners pay in U.S. dollars because their own currency is virtually worthless.

He said North Korean military officers have been disciplined for black-market activities in the past six months, mainly at posts near China, where cross-border trade is booming. "They are breaking ranks in order to survive," he said.

Taleban Empties Seized City

Tajik Residents Are Ordered to Evacuate to Kabul

The Associated Press

CHARIKAR, Afghanistan — The Taleban militia ordered residents to leave this northeastern provincial capital Friday, forcing thousands of frightened and cold residents to head out on foot for the Afghan capital.

The ouster came a day after Taleban forced former government troops from this city 55 kilometers (about 35 miles) north of Kabul, after seizing control of a strategic air base at Baghram nearby.

In Charikar, the capital of Parwan Province, Taleban soldiers said the evacuation was ordered because the militia believed that most of the 100,000 residents were loyal to Ahmed Shah Masoud, the military chief of the former government who is fighting the Taleban advance into the north.

Like Mr. Masoud, many in Charikar are ethnic Tajiks, different from most Taleban soldiers, who belong to Afghanistan's majority Pashtun ethnic group.

"We told them to leave because we are afraid of them," said a Taleban soldier, who would identify himself only as Mohammed.

Huddled against the bitter winter cold, people leaving Charikar traveled in large groups. Many carried young children. Old men strapped wooden beds on their backs. Women carried heavy loads on their heads, and household belongings were piled onto donkeys and horse-drawn carts. "Taleban told us to leave, but this is not the way to do things," said Mohammed Karim, who was hunched over from the weight of a wooden bed strapped to his back.

"I'm going to Kabul, but I don't know where I will stay," he said. "I have no relatives. I don't know what I will do."

Taleban, which espouses a strict interpretation of Islam, now controls roughly two-thirds of the country, while the alliance arrayed against it controls a region to the north.

The offensive was started Thursday after Taleban said that UN-sponsored peace talks in Pakistan had reached an impasse.

The militia insists that any future government must adhere to its version of Islamic law, which bans women from work and schools and forces men to pray at mosques and grow beards. It bans music, photography and most games.

Taleban met only mild resistance from Mr. Masoud's soldiers, who were defending both Baghram and Charikar.

The only retaliation came late Thursday and Friday, when fighter jets belonging to the northern warlord Abdul Rashid Dustam bombarded Charikar several times. Mr. Dustam is an ally of Mr. Masoud's. There were no reports of casualties.

Sevim Kolozoglu/Reuters

RITES FOR UNION CHIEF — Workers holding roses Friday at the Bombay funeral of Datta Samant, slain by four gunmen. Hundreds of thousands took to the streets and a general strike was called. Officials linked his death to interunion rivalry.

BRIEFLY ASIA

East Timorese Dissident Hopes To Form 'Shadow Government'

MACAU — The East Timorese independence leader Jose Ramos-Horta plans to form a "shadow government" later this year, the Portuguese news agency Lusa reported Friday.

After a visit to this Portuguese territory, Mr. Ramos-Horta was quoted as saying that a jailed rebel leader, Jose Xanana Gusmao, has already designated the names of some of those to be included in the shadow government. Mr. Gusmao is serving a 20-year jail term in Indonesia.

Mr. Ramos-Horta and the Roman Catholic bishop of East Timor, Carlos Ximanes Belo, shared the 1996 Nobel Peace Prize for their efforts toward a peaceful settlement of the dispute over Indonesia's invasion and annexation of East Timor in 1975.

The news agency said Mr. Ramos-Horta, who lives in exile in Australia, declined to disclose the names of those who could be included in the shadow government. *(AP)*

China Defends Electoral System

BEIJING — Popular elections in China, limited to counties and small towns, will not be expanded for now, the head of the Chinese Parliament said in an interview published Friday.

Qiao Shi, leader of the National People's Congress, said China is too big and too poor, and its people too uneducated, to handle democracy beyond the local level.

"Along with economic and cultural development and the improvement of people's living standards, democracy in China will be constantly developed and the electoral system will be improved," Mr. Qiao said in an interview that was printed in the People's Daily and other state-run newspapers.

For 10 years, the party has allowed direct elections for village committees and for legislatures in small towns. The elections represent little threat to the Communist Party's hold on power. Almost all of those elected are party members, and in many cases those who are not are quickly recruited. *(AP)*

UN Committee Chides Burma

GENEVA — The United Nations Committee on the Rights of the Child on Friday urged Burma to end what it called the systematic conscription of children and their use as porters for the army.

A UN statement said Burmese officials taking part in a debate in Geneva had denied the assertion and insisted that reports of conscription had been fabricated by opponents of the government.

"But committee members insisted," the statement said, "that the reports referred to the present as well as the past, and disputed that so many allegations coming, among other things, from sources such as the United Nations agencies and reputable nongovernmental organizations, could all be fabricated." *(Reuters)*

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Jeering Voice of Belgrade Protest

A Bard of Anarchy Finds Religion in Serb Nationalism

By Chris Hedges
New York Times Service

BELGRADE — Shortly after midnight one recent night, with more than 300,000 people jammed into Republic Square and surrounding streets here, a 44-year-old rock musician, his left earlobe adorned with a double-headed Serbian eagle earring, launched into one of the most popular songs of the two-month-old protest movement.

"On to chaos and disintegration," sang the musician, Bora Djordjevic, his voice pumped out for blocks by a powerful sound system set up on a small stage to celebrate the Serbian Orthodox New Year. "We are led by Grandma Jula, who uses us all. We dance in a vampire ball, run by our decrepit Grandma Jula."

At each mention of the name Grandma Jula, the crowd, most of whom sang along, jeered, set off firecrackers, blew whistles, rang bells and clanged pots and pans.

It was a reminder that the wife of President Slobodan Milosevic, Mirjana Markovic, is one of the most hated figures in the country.

She heads the Yugoslav United Left party, or JUL, from which the song gets its name, "Grandma Jula."

"It is the anthem of the protest movement," said Momcilo Bajagic, a rock musician. "Everyone knows the words by heart."

Mr. Djordjevic has emerged as the Bob Dylan of the protest movement that has swept Serbia since the government's annulment of election victories by the opposition in 14 of the country's 18 largest cities.

His cassette "Their Days," which features silhouettes of Mr. Milosevic and Miss Markovic on the cover, is banned, available only from street vendors who run the risk of being beaten or having their stock confiscated.

"We don't need children's stories about fairy-tale witches," the musician told the roaring crowd. "We all have Grandma Jula."

Mr. Djordjevic has made a career out of controversy. His band, Fish Soup, ran afoul of the Communist authorities almost as soon as it was formed 18 years ago. His lyrics, sexually explicit and filled with vulgarity, often ridiculed the Communist elite.

A decade ago, Mr. Djordjevic's albums sold half a million copies, rivaled only by the band White Button, which disintegrated in 1991 along with Yugoslavia, its members coming from different ethnic groups who were cut off by the war.

In Serbia, religion has become the principal symbol of national identity. Mr. Djordjevic gave up his petulant anarchy, and, with the gusto of the newly converted, embraced Serbian nationalism. His attacks against Mr. Milosevic are rooted, he said, in the president's "betrayal of the Serbs in Croatia and Bosnia."

Mr. Djordjevic, a heavy drinker and smoker with long strands of gray hair, hangs out in a small working-class bar a block from his home in Belgrade. But despite his support for the Serbian cause, there remain a few glimmers of the old anarchist.

"I have founded my own political party in Serbia," he said, pouring a can of beer into a glass. "The Party of Ordinary Drunkards. We believe all people should be allowed to drink in peace and all taxes on alcohol and tobacco abolished."

A swaying elderly man, Solomon Gatenjo, clearly affected by a bout of early morning drinking, steadied himself as he tried to sit on a chair next to the musician. Mr. Djordjevic, wearing an olive wood Serbian Orthodox cross around his neck, helped Mr. Gatenjo light a cigarette.

"He's one of my most prominent party members," he said, "even though he's a Jew."

The musician refuses to support the opposition coalition leading the daily street protests, and most of his appearances are before students, who run a parallel protest movement.

"The opposition leaders have invited enemies of the Serbian people to speak at the rallies," he said, "but the students are pure and uncorrupted."

To some, Mr. Djordjevic has become a relic of another era, clinging to Serbian nationalism because he has run out of new ideas and ways to shock his listeners.

"When Yugoslavia fell apart, the popularity of rock bands like Fish Soup began to decline, and the steeper the decline the more Djordevic became a Serbian nationalist," said Sasa Mirkovic, the manager of the independent radio station B-92.

"I'm not saying he isn't brave, that he didn't profoundly affect the music scene here, but his time is past. He belongs to another generation."

But no other musician has yet dared to confront Mr. Milosevic with the same venom.

"Being a Serb is everything to me now," Mr. Djordjevic said. "I have become deeply religious. I'd be lost without religion. I have to believe there is something else, something better."

The singer called to six Gypsy musicians, clutching tarnished and dented brass instruments, who were huddled near a steam radiator, and asked them to play an old folk melody.

"If you can hear the pain in the music," he said, leaning over the table, "you can understand us."

Ivan Milutinovic/The New York Times

Mr. Djordjevic acknowledging the crowd in Belgrade's Republic Square.

Ivan Milutinovic/Reuters

REINFORCEMENT — A girl in Belgrade carrying a companion by a police cordon Friday during protests against President Slobodan Milosevic.

Sudan Denies Rebels Gain, But They Insist Town Is Theirs

Reuters

CAIRO — Sudan denied Friday that rebels had captured the town of Mahan in the southern front of the Blue Nile region, an area where a relief group based in Switzerland said that Sudanese troops were bombing and burning to drive out the rebels.

Sudanese rebels in Asmara and Cairo said that their joint force had captured the town, which they called a strategic bypass for the White Nile state, Upper Nile and the Blue Nile region.

The Sudanese information minister and government spokesman, Brigadier at-Tayeb Ibrahim Mohammed Khair, denied the rebel report, saying that the situation in the Blue Nile area was "quiet with no movement on the enemy side."

A newspaper owned by the Sudanese government, Al Engaz al Watan, quoted Brigadier Khair as having said that Sudanese forces killed 63 Eritrean soldiers and seized a large amount of arms in the state of Kassala. He did not say when.

Sudan says neighboring Eritrea and Ethiopia are orchestrating the fighting but both countries, which are hosts to Sudanese rebels, reject the allegations.

Northern and southern rebels working together in their first combined offensive to overthrow the government say they are responsible for the attacks against army units in the east. The drive began this week.

The rebels say their objective is not to capture Khartoum but to strangle it and provoke an uprising against President Omar Hassan Ahmad Bashir's military government.

Yasser Arman, a spokesman for John Garang, head of the Sudan People's Liberation Army and chairman of a joint military command, said in Asmara that 980 members of the government militia had surrendered after the fall of Maban to the rebels, who were now marching toward Damazin.

Damazin is about 480 kilometers (300 miles) southeast of Khartoum and supplies the capital with up to 80 percent of its power.

The rebels say they have already seized two towns on the border with Ethiopia — Kurmuk and Qeissan.

The Christian Solidarity International, a relief group based in Zurich, said Friday that Sudan had begun a "scorched earth" policy that had left some 50,000 people on the verge of starvation.

The organization said a two-member team it sent on a covert visit last week south of the Blue Nile region reported that government forces were "bombing and torching" villages across the area.

A Former Top Serb in Coma After Suicide Attempt

Compiled by Our Staff From Dispatches

BELGRADE — The former deputy vice president of the Bosnian Serbs, Nikola Koljevic, was in a coma Friday, after shooting himself in the head in a suicide attempt, the authorities said.

The speaker of the Bosnian Serb Parliament, Dragan Kalinic, said Mr. Koljevic was rushed to a hospital after he shot himself.

Sources said Mr. Koljevic, 60, a Shakespearean scholar and a former professor at Sarajevo University, shot himself Thursday in his office in Pale, the Serbian republic's capital.

The Tanjug press agency said Mr. Koljevic had been transferred from Pale to a hospital in Belgrade, where "doctors are fighting for his life."

Mr. Koljevic played a prominent role in the Serbian leadership during the war in Bosnia-Herzegovina, but was sidelined after the signing of the Dayton peace agreement in November 1995.

He belonged to Bosnia's ill-fated collective presidency when war erupted in May 1992, and was a member of the ultranationalist Serb Democratic Party led by Radovan Karadzic, now indicted as a war criminal.

In his fluent English, Mr. Koljevic defended the Serbian siege of Sarajevo in interviews with foreign reporters and in talks with diplomats.

At the end of the war Mr. Koljevic chose to cooperate with President Slobodan Milosevic of Serbia, who forced Serbs in Bosnia to accept the peace agreement. *(AP, Reuters)*

BOOKS

NAKED SLEEPER

By Sigrid Nunez. 235 pages. $23. HarperCollins.

Reviewed by Carolyn See

NONA is 40 years old, and she can't sleep. She's been married for a while to a nice man named Roy who cooks for her and loves her dearly and puts up with her bad moods; she should be happy, but she's a bit of a basket case. She's come to the point in her life where she's got to grow up — or take an alternate route, become one of those perennially adolescent, whining, self-absorbed, narcissistic women who make the people around them grind their teeth with exasperation.

But "growing up" — what's the future in that, for heaven's sake? Growing up means getting rid of childhood grudges and not blaming your parents anymore, caring more about your own kids than yourself, and — if you're a woman — learning to relate to men as if we were all human beings in the world together, instead of tiresome characters in a bad daytime soap opera.

Nona, before we get to know her very much as a heroine, decides to take an alternate route. A wealthy friend who runs an informal retreat center asks her to visit for a month, along with several other friends and acquaintances. Nona says yes, leaving her kindly husband back home in Manhattan. First thing you know she's flirting like mad with a no-goodnik named Lyle (as in "Vile Lyle"), and this ill-matched couple are soon lolling about hugging and kissing in front of fireplaces and out on misty docks, even though Lyle is the kind of jerk who makes fun of women's thighs, and corrects other people's grammar, and is so purse-mouthed that no one ever sees his teeth.

But Nona is so bewildered and bemused she can't think very clearly. She's still smoldering with resentment at her mother, Rosalind, who left her father when she, Nona, was a child. That father — we find out quite late in the narrative — loved men back in the '50s, and Rosalind couldn't forgive the behavior, or him. Worse, that father, a good-but-not-great artist, was tactlessly relieved when his wife and daughter got out of his life.

She sees herself as the abandoned, mistreated child; she never wants to have children herself. She says she has no talent for it, but of course, if she had kids she'd have to give up her own Wounded Child act at least part of the time.

So instead of paying attention to her good life and her good husband, she soon flies off to spend a "romantic weekend" with Vile Lyle, where he complains about her smell, refuses to laugh at her jokes, makes mean remarks about fat women in general, and performs like a lox in bed. Of course, now that she's with him, he can't stand her. It's a recognizable male-female dynamic, but it certainly doesn't fall under the heading of mature behavior.

After this unfortunate weekend, Nona and Roy separate. There Nona is, at the crossroads. Will she grow up or not? "Naked Sleeper" is a very laid-back novel, where little seems to happen for pages at a time, so it isn't terribly clear what Nona is up to. She's been working on a book about her father. Maybe, if she understands his life, she'll get a clue about understanding her own. She meets one of his old lovers, who becomes her real friend.

Several other things happen in this grave, somber book. Implicit in the narrative is the question: What does it mean to be a worthy woman? Some female readers may not agree with Sigrid Nunez's conclusions; others may be grateful for what turns out to be a handbook on how to be good.

Carolyn See reviews books weekly for The Washington Post.

Libya to U.S. Balloon: No Overflight

Reuters

CHICAGO — The American balloonist Steve Fossett was denied permission to fly over Libya on Friday, forcing him into a detour that could prevent him from becoming the first person to circle the globe nonstop in a balloon.

But Mr. Fossett, 52, refused to give up, telling his control center in Chicago that he wanted to "go for it."

His project manager, Bo Kemper, said India looked to be the most logical end point of the journey. He said the detour could stall Mr. Fossett's progress and bring the balloon down after a trip half the way around the world.

Libya's refusal ended days of back-channel and public negotiating to win permission for Mr. Fossett to use its airspace.

The new route, over Niger and Chad and then Egypt, will take Mr. Fossett out of the favorable wind current that pushed him across the Atlantic in three days.

"It doesn't look good," Mr. Kemper said. "It significantly reduces our chances."

The record for time spent in a balloon is six days and 16 minutes set in 1981 by Richard Abruzzo and Troy Bradley. Mr. Fossett's trip began late Monday in St. Louis, Missouri.

Mr. Fossett learned of Libya's refusal just after breaking his own record for balloon distance travel when he passed 5,435 miles (8,747 kilometers), over Algeria. He set the earlier mark on a voyage from South Korea to Canada.

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Banking on Switzerland

A month ago, the Swiss Parliament passed a law relaxing some of the country's vaunted bank secrecy rules and prohibiting the shredding of any material that might bear on the explosive issue of how Swiss banks handled Jewish assets in World War II. Just a few weeks later, however, a bank-hired historian in Zurich was discovered by a guard to be shredding without inventorying documents that had lain untouched in a vault since 1945. A vigorous round of denials and, Thursday, the suspension of the archivist followed. But there is no denying that the Swiss and international publics' confidence in the integrity of the banks' pursuit of the facts has been struck a rude blow.

This was not, unfortunately, the only troubling incident. A recent president of Switzerland, now the economics minister, last month publicly labeled as "ransom and blackmail" quite comprehensible demands from Jewish groups that Swiss banks compensate now-aged Holocaust victims promptly for vanished wartime deposits. The resulting uproar produced an apology. But again the impression was left that in at least some official as well as banking circles there is a lingering reluctance to confront this budding crisis of confidence in Swiss institutions.

The economics minister put his own sinister cast on these developments, saying he had detected a "formidable political will" to "destabilize" Switzerland and to "demolish" its financial place. Of such a wild and ambitious plot there is no evidence. What there is evidence of is a disconcerting Swiss hesitation to go after the facts. How is it that a professional historian or archivist, of all people, should not know of and respect the no-shredding obligation? Why is it that the person now being investigated for violating bank secrecy laws is none other than the young security guard who happened across old documents awaiting shredding and turned them over to a local Jewish organization?

This affair is about whether banks let deposits of Jews who were later killed in the Holocaust remain in their vaults without attempting to compensate surviving relatives. A further question is whether neutral Switzerland laundered assets looted from Jews and others in the war. These are somber issues. Even to raise them is painful for many Swiss. But for a country whose signature industry, banking, is built on trust, these issues touch the national core.

In opening them to inquiry by foreigners as well as by its own citizens, Switzerland is defining itself.

— THE WASHINGTON POST.

Sole Superpower Status Goes to America's Head

By William Pfaff

PARIS — A book just published in France records the conversations and confidences of former President François Mitterrand during the last months of his life, when he was dying of cancer.

One of his comments, in the fall of 1994, concerned the United States. He said: "France does not realize it, but we are at war with America. Yes, permanent war, vital — an economic war. ... They are hard, those Americans. They are voracious. They want undivided power over the world."

The comment is worth repeating as evidence of a factor in America's relationship to other countries that Americans ordinarily do not acknowledge. Many who are political and security allies of Washington at the same time look upon the United States as a threat to vital national interests or to their national autonomy.

It is not just the French who do so. In Germany a considerable number of people see German civilization and identity undermined by American influences. Some accuse the United States of propagating an image of Germany as permanently untrustworthy, thereby perpetuating German subordination to the United States.

Asians, particularly in Singapore, China and Japan, have been more vocal than the Europeans in accusing the United States of attempting to impose its ideas, values and interests on them, in defiance of "Asian values."

They and others criticize the United States for attempting to enforce American law abroad in order to make others conform to American conceptions of commercial and trade practice, or even to make them subordinate their interests to U.S. foreign policies, as in the Cuba and Iran cases.

There is, of course, nothing surprising in the tendency of the United States to aggrandize its power and take advantage of it in commerce as well as in political relations. It does so complacently, since Americans have always identified the national interest with universal human interests. Confidence in national virtue is what makes the wheels go round in most democracies. However, some recent formulations of American policy and purpose go beyond this.

Early in last year's presidential race, when Bob Dole still seemed to have a chance for the presidency, two reputable political commentators, William Kristol and Robert Kagan, published their ideas about foreign policy in a Dole administration.

Writing in the most important American policy journal, Foreign Affairs, they said that "the appropriate goal" of American foreign policy is to preserve its existing world hegemony "as far into the future as possible." To achieve that goal, they wrote, the United States needs a foreign policy "of military supremacy and moral confidence."

With respect to military power, they wrote, "the more Washington is able to make clear that it is futile to compete with American power," the less chance there is that others "will entertain ideas of upsetting the present world order."

A current policy book that has received considerable attention is Joshua Muravchik's "The Imperative of American Leadership," sponsored by the American Enterprise Institute in Washington.

The author claims that because of America's unparalleled benevolence as well as its power, others will be grateful for American hegemony. They will "know that they have little to fear or distrust from a righteous state." Anticipating President Mitterrand's exceptionalism, Mr. Muravchik adds that "aside from perhaps the French, the only people averse to American leadership are the Americans."

Daniel Deudney of the University of Pennsylvania has been making a series of presentations in official and unofficial circles arguing that the Western world as a whole is now in the same position the United States was in during the 1787-88 constitutional debate over centralized federal power. The time has arrived, he says, for binding all the democracies into an American-led world federation.

In short, the isolated position of the United States as the "sole superpower" is tending to go to the national head. Congress has acquired a habit of legislating for the world, with the executive branch expected to see that those laws are carried out — while the academy explains that global hegemony is manifest destiny.

Cooler spirits in Washington will realize that power naturally generates counterbalancing power, and that however powerful the United States may be, any number of national combinations could become just as powerful, or even more powerful, if sufficiently motivated.

One might suggest a rereading of the American "realists": Hans Morgenthau on the inevitable limits to any nation's power, or George Kennan, when he argues that the permanent influence of a nation comes from its quality, its ability "to compel the respect and confidence of a world which, despite all its material difficulties, is still more ready to recognize and respect spiritual distinction than material opulence."

But if such sentiments seem too elevated, one could also recommend Machiavelli. He has an entire chapter in "The Prince" on why a leader "Must Avoid Being Despised and Hated" — and about the unpleasant things that happen to a leader who fails to take the advice.

International Herald Tribune.
© Los Angeles Times Syndicate.

Just the Facts, Please

As the Senate considers the nomination of Anthony Lake to be director of central intelligence, it must separate the serious questions about Mr. Lake's fitness from the frivolous and malicious. Mr. Lake has served the United States with distinction in a variety of high-level jobs over three decades, including four years as President Bill Clinton's national security adviser. His suitability to manage America's intelligence services should be judged on his record and the plans he presents at Senate hearings next month, not on outlandish charges made by ideological foes of the Clinton administration.

The John Birch Society and other opponents are busily assembling a Lake dossier — widely circulated on the Internet — that depicts him as a dangerous radical. Among other things, it breathlessly reports that in 1970 Mr. Lake resigned from the White House staff to protest the invasion of Cambodia, and recently said the evidence that Alger Hiss had spied for the Soviet Union was inconclusive.

The implication that Mr. Lake is soft on communism and cannot be trusted to defend American security interests is a fantasy. His exit from the White House was an act of principle about a war that bitterly divided Americans, and his offhand comment on the Hiss case during a television interview is no guide to his qualifications.

The pivotal issue before the Senate is whether Mr. Lake has a plan to reform America's intelligence agencies and the leadership qualities to get the job done. John Deutch made a gallant effort in his two-year tenure but faced intense resistance, particularly from the clandestine service of the CIA. He left Washington with the work unfinished.

Five years after the disintegration of the Soviet Union, the CIA and other intelligence agencies are searching for new missions while spending $30 billion a year, nearly as much as they consumed at the height of the Cold War. President Clinton set new intelligence goals 18 months ago with Mr. Lake's assistance. Mr. Lake must now outline a workable plan for streamlining these agencies and redirecting their work into vital areas like combating terrorism, preventing the spread of nuclear technologies and monitoring developments in dangerous nations like Iraq, Iran and North Korea.

He must also show that he has the fire and fortitude to enforce rigorous professional standards at the CIA, where Cold War exigencies often served as convenient excuses for illegal and immoral conduct.

Mr. Lake supported Mr. Deutch's efforts to make the CIA more accountable and to set guidelines for the recruitment of foreign agents. Mr. Lake ought to commit himself publicly to expanding on those initiatives, and set his own.

Mr. Lake owes Congress an ironclad commitment to keep that body fully informed about intelligence activities and failures. Candor with Congress is not optional. In earlier years the CIA repeatedly defied this obligation. Mr. Lake's own conduct in one recent instance is troubling. When Mr. Clinton secretly decided in 1994 to let the Iranians help arm the Bosnian Army, Mr. Lake failed to press colleagues to inform Congress. He has since told a number of senators that the omission was a mistake. It was.

Senators would better spend their time examining this matter and Mr. Lake's general attitude about secrecy than quizzing him about concocted issues. A public declaration by Mr. Lake of his misjudgment in the Iran case would be welcome. The Senate also deserves an explanation from him on why he failed to sell stocks in several energy companies when first instructed to do so by the White House in 1993.

As a former policymaker with extensive knowledge of international affairs, Mr. Lake would help CIA analysts better understand the needs of intelligence consumers in the executive branch, provided he resists the temptation to make agency assessments square with administration policies. On this issue, too, he can clear the air with a forthright statement of his independence.

The Senate Intelligence Committee and its new chairman, Richard Shelby of Alabama, have a duty to question Mr. Lake closely and to demand public commitments from him on the crucial issues facing the CIA.

There are legitimate questions about Mr. Lake's intentions, his management skills and his determination to make reform stick. But he, the Senate and the nation will be ill served if the hearings turn into a political circus.

— THE NEW YORK TIMES.

Let's Be Serious: There's No Good Reason to Enlarge NATO

By Mikhail Gorbachev

MOSCOW — I believe that expanding NATO — as is currently being proposed — would violate Russia's vital security and geopolitical interests.

It would threaten the way the Cold War was concluded with the voluntary assent of Russia.

But regrettably, Russia's position on the enlargement of NATO eastward is not being taken into account. To make matters worse, attempts are being made to sweeten the pill that she is being forced to swallow.

Some say Russia has no right to veto the decisions of others — that is, others in the West. But such a proposition implies that Russia is being regarded as the "other" in what ought to be mutual security issues in a common European house.

As for the question of a "threat," it is self-evident that this is a weak basis for justifying the enlargement of the North Atlantic Treaty Organization.

When the threat really did exist — when Europe and the world were divided into two blocs, with the Soviet Union and the United States as opposing superpowers — no one thought Austria, Sweden or Finland had to enter NATO for protection.

Do people really believe that today, with Russia a partner of the West's, the threat is even greater than before?

Come on now, let's be serious!

It's true that a number of nations from Central and Eastern Europe are knocking loudly at the doors of the Western alliance. And that's easy to understand, given their war-torn history.

In human terms, it makes perfect sense for them to think about their own security. It may even be too much to expect well-considered opinions and dispassionate decisions from these places, given the decades of domination they had to endure.

But that is all the more reason why their emotions should be given a backseat to the need for sustaining overall military security and a balance of power.

In short, their hypersensitive feelings cannot dictate law for all the rest of us. At least no more so than Russia's own hypersensitive feelings, which she, too, is entitled to have.

Some say that the prospect of adding new member states to NATO does not threaten Russia and does not concern her vital security interests.

But, please, doesn't Russia, like every other sovereign state, have the right — and the duty — to measure her own security risks as affected by the actions of others?

Is Russia blind to the political and economic turmoil that has erupted in certain republics of the former Soviet Union — especially the discontent that erupted so violently in the horrible Chechen war?

And I have another question for those who have concocted the panacea of expanding NATO: Have you given full thought to the exceedingly delicate transitional phase Russia is going through in terms of her own political geography?

Do you realize, in the West, how the idea of extending this military alliance affects vast segments of Russian public opinion?

Many here believe that Russia, thanks to efforts of the West, is already being deindustrialized, demilitarized and deprived of defensible borders and that, all along, the West has had a grand design to obliterate

The West's actions can compromise the future of Russian democracy.

Russia forever as a major European power.

Does the West grasp that its actions can compromise the future of democracy in Russia? And that a country so humiliated and thrown on the defensive could find itself driven to countermeasures that could reverse the course of European détente?

There is the risk that all the breakthroughs in East-West relations to date — the end of the Cold War, the repudiation of opposing military blocs and the agreed-upon reductions in monstrous war-making capabilities — could be irresponsibly frittered away.

A protective action could be provoked in Russian defense, arms control and foreign policies. Who then would be able to say that they are more secure today than yesterday?

The strengthening of NATO eastward is being justified on the grounds of security needs — these, in turn, are based on the presumed existence of some threat. But then the question becomes: Who is threatening whom?

Who, for example, is currently threatening Poland, Hungary and the Czech Republic — the countries now leaning toward NATO and likely to be the first welcomed into the group?

Not Russia.

Quite obviously these proposals to expand the alliance are not founded on any looming or discernible menace from Moscow toward Poland, Hungary, the Czech Republic or Slovakia.

And if anyone perceives such alleged ill will or peril, why aren't they ringing the alarm bell? Why aren't they calling for urgent sessions of the OSCE, the European Council and the UN Security Council?

We must assume, in fact, that collective security is not the motive for broadening NATO's ranks and that behind the fixation — behind all the specious political arguments, coming particularly from the administration in Washington — other, not fully acknowledged considerations are at play.

And is it so extravagant to assume that some quarters have decided — behind a veil of fine statements and reassuring explanations — to exploit Russia's weakness, at a time of our own domestic economic and political problems?

As far as Russia's most current leaders are concerned, it should be said that they bear no small responsibility for confusing the situation — with their wavering, their lack of a foreign policy and their little short-term schemes. Indeed, the West's more moderate circles have been at a loss, utterly unable to sustain a reasonable position given the lack of credible interlocutors in Moscow.

It is obvious that under these circumstances the West's most hawkish, conservative and aggressive (and also most ignorant) circles have gained the upper hand — those circles following in the philosophical tracks of the various Kissingers.

In these haunts, Russia represents — and always will represent — no less a danger than the Soviet Union did during the Cold War. Thus, they feel, Russia must be contained and kept in a state of weakness.

Might the United States' claim to a monopolistic "leadership" of the whole world be in play here?

It would be useful to put a halt to all this nonsensical palaver about NATO, however gussied up with declarations of "good intentions."

This is not the kind of politics we need on the threshold of the 21st century.

Mikhail Gorbachev, the last leader of the Soviet Union and a Nobel Peace Prize winner, now heads the Gorbachev Foundation, a political think tank in Moscow, and writes a monthly column for La Stampa, a newspaper in Turin. This column was distributed by The New York Times Syndicate.

Netanyahu Is Not a Born-Again Dove But a Canny Politician

By Jim Hoagland

WASHINGTON — Israeli doves greeted the Hebron agreement signed by Prime Minister Benjamin Netanyahu with floral bouquets and kind words for the Likud leader. Hawks in his own party just as quickly damned Mr. Netanyahu for selling out. These initial reactions are overblown. They miss the point of what Mr. Netanyahu has done, and what he has refused to yield.

Mr. Netanyahu deserves credit for moving the Israeli-Palestinian search for peaceful coexistence into a new stage by finally accepting the deal on Hebron struck by his Labor predecessors. He agreed to pull Israeli troops out of 80 percent of Hebron and turn security of the city's Arab neighborhoods over to Palestinian police.

He has traded West Bank land for the promise of peace with the Palestinians in Hebron. Likud has always rejected the land-for-peace trade in what it considers the Land of Israel.

Surmounting this psychological barrier — at the risk of splitting his governing coalition and his party — is a statesmanlike act by Mr. Netanyahu.

But he did not go to bed a hawk on Tuesday and awake as a dove on Wednesday when the agreement was signed. He agreed with Yasser Arafat that there would be further withdrawals from the West Bank by mid-1998. But Mr. Netanyahu retained control of the extent and timing of those withdrawals. He also retained his option of emptying a Palestinian state, if it comes into being, of full sovereignty and meaning.

This is the new phase: Mr. Netanyahu and Mr. Arafat now begin a struggle over the future and nature of a Palestinian state. This struggle will dwarf the battles of the last six months.

Mr. Arafat scores a moral victory by enmeshing Mr. Netanyahu and Likud in a negotiation in which Palestinian statehood is not automatically ruled out. The Palestinians have been buoyed by recent public statements from former Secretary of State Henry Kissinger, the New York Times columnist William Safire and other strong American supporters of Israel that a Palestinian state is now inevitable.

The history and outcome of the Hebron negotiations suggest that Mr. Netanyahu may have reconciled himself to Mr. Arafat's creating a fragmented, demilitarized entity he will call a state, but which in fact will fall far short of that status. Mr. Arafat's Palestine will not emerge from these negotiations with true territorial integrity or international boundaries it controls, if Mr. Netanyahu prevails.

Likud has plans for a massive program of building highways that would be protected by Israeli troops and slash the West Bank into a series of Arab-inhabited ribbons that have little continuity. Likud has modernized and perfected the old idea of controlling the high ground and other strategic territory on the West Bank while the Palestinians run their municipalities.

That of course is not where Mr. Arafat aims to come out. He fought tenaciously to get a firm timetable for future West Bank withdrawals in the Hebron deal. But Mr. Netanyahu told his cabinet that future withdrawals would be determined by Israelis unilaterally, a statement U.S. officials privately confirmed. Hours after the Hebron accord was signed, the Israelis and Palestinians were arguing again, this time over Palestinian claims that Israel had promised to make "significant" withdrawals.

Such ambiguity makes the coming phase challenging and deceptive.

Mr. Arafat and Mr. Netanyahu will be defining what a nation actually is and what attributes constitute statehood. The struggle around these questions will be slippery, constantly changing and decisive for the future of the Middle East.

Mr. Arafat can make it more difficult for Mr. Netanyahu internationally by seizing some key attributes of statehood offered by the original Oslo peace agreements. So far he has failed to see his opportunities.

The Palestinians should immediately honor the extradition process that Oslo mandates and turn over the two dozen-plus criminal suspects Israel has asked them to transfer.

The Israelis will avoid calling this act extradition, but it will be just that. Acting like a state whenever they have a chance would advance the Palestinians' claim to formal statehood. So would moving beyond the controversy over the Palestinian Charter sections that call for the destruction of Israel. Those sections must be publicly and irrevocably buried.

Mr. Netanyahu, often portrayed as the devil pre-Hebron and suddenly discovered as an angel in headlines and commentary post-Hebron, emerges in fact as an ambitious, calculating politician who moves when he must but delays and minimizes his concessions.

These are not negligible qualities for an Israeli leader moving into an extended endgame, where he hopes to check Mr. Arafat's ambitions for a Palestinian state. Mr. Netanyahu sacrificed an ideological pawn in signing the Hebron agreement. But he kept control for the time being of a board whose shape is still being determined.

The Washington Post.

Other Comment

News From Korea

In Korea, sometimes even the good news can be scary. The latest example came three weeks ago, when a reluctant North Korea defused a simmering crisis and put international negotiations back on track by apologizing for an incident last fall, when a heavily armed North Korean submarine ran aground in the South.

That apology was one of the most important foreign policy victories of the Clinton administration. Hard-liners in North Korea, worried about growing ties between North Korea and the United States, apparently sent the submarine south in an effort to derail progress toward peace. Firm but patient U.S. diplomacy ultimately got the North Koreans to issue their apology and, better still, to agree to attend a meeting to learn more about what Washington hopes can be a framework for peace talks between North and South Korea.

But North Korea didn't apologize because it was sorry; it apologized because it is starving — and starvation there could destabilize the Korean Peninsula and East Asia as a whole.

— Walter Russell Mead, commenting in the Los Angeles Times.

Central Issue: Real Peace

IRONICALLY, in order to defend Hebron, we have to leave Hebron. Only by turning the majority of the city over to the Palestinians and ensuring that the 140,000 Palestinians there gain control over their own lives can we forge a consensus around maintaining and strengthening Hebron's Jewish community.

In a seemingly polarized society, the consensus within Israel often appears elusive. But the truth is that a center does exist — as long as we are prepared to open our eyes to the possibility. The Israeli center does want the peace process to continue, but not on autopilot. It demands that both sides fulfill their agreements in the hope that such reciprocity will prove the basis of cooperation and trust that will eventually bring real peace.

— Natan Sharansky, Israel's minister of industry and trade, commenting in The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Russia's Aims

PARIS — Sir Ellis Ashmead-Bartlett returned from a visit to several European capitals to ascertain the state of affairs at Constantinople and help promote understanding between England and the Triple Alliance. "The concert of Europe is a myth. Russia entirely directs French policy in Turkey, and Russian policy is antagonistic to British interests. Russia's great ambition is Constantinople, and to let Russia get Constantinople and the Straits would be fatal for English supremacy in the Mediterranean and for the British Empire in India."

1922: U.S. Popularity

REVAL — M. Bruckbacher, a prominent Swiss Socialist and a personal friend of Lenin when Lenin was an exile in Switzerland, has passed through Reval from the Russian famine districts, where he has administered relief on behalf of the international Socialist organisation. He declares that Americans at present are the most popular of all nationalities in Russia. Lenin declared that he would rather have an American capital in Russia than that of any other nationality.

1947: Crisis in Greece

ATHENS — Greek left-wing guerrillas stepped up their offensive throughout the country as Premier Constantin Tsaldaris was confronted with an unruly Parliament demanding that he either settle the crisis between Left and Right, which has plunged Greece into an undeclared civil war, or quit. While the guerrillas were active on the battle fronts, the Civil Servants Union on the home front announced that it would begin a nation-wide strike if the government failed to raise wages.

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As Troops Leave Hebron, Palestinians Claim Their Territory

By Douglas Jehl
New York Times Service

HEBRON, West Bank — Amid flashes of tension and scenes of celebration, hundreds of Palestinian policemen and paramilitary soldiers emerged on the ancient streets of Hebron on Friday to claim control of most of the West Bank city that Israeli forces had occupied for 30 years.

From a low-key handover of power at dawn, it was a day of transformation for Hebron. Palestinian residents crowded onto the grounds of the military headquarters that they had regarded as a symbol of oppression and strung up Palestinian flags and painted storefronts to mark the beginning of a new era.

In the tense heart of Hebron, where Israeli forces remain in control, implementation of the new security arrangements was soured by scuffles between Israeli troops and Arab residents. By midafternoon, as at so many times in Hebron's recent history, the Israelis ordered the closure of a crowded Arab market that abuts a street that is home to a small colony of Jewish settlers.

But while both Israeli and Palestinian troops turned out in large numbers, the carefully coordinated transfer of authority was declared by both sides to have been seamless, and it opened new vistas for Palestinians who had wondered whether the changeover would ever come.

"Everything is possible," said Halis Mohammed, a merchant who stood among an early morning throng inside the long-locked gates of what had been the Israeli headquarters to marvel at the metamorphosis that put it in Palestinian hands. "In all my dreams, I never believed that the Israelis were leaving."

With 80 percent of Hebron now fully in Palestinian hands, local officials said they expected Yasser Arafat, the Palestinian leader, to make a triumphal visit to the city early next week, although no such trip has yet been scheduled.

Before first light Friday, hundreds of Palestinian troops had been moved from Gaza, Jericho and other posts to positions just outside Hebron. As the last Israeli jeeps pulled away just after 6 A.M., the Palestinians descended by the busload to don uniforms, take up weapons and move into positions that made most of Hebron the last city in the West Bank to fall under Palestinian control.

Among them were officers like Captain Aziz Ayadeh — longtime followers of Mr. Arafat who had spent years inside the Israeli military headquarters as prisoners — and whose first step was to revisit the cramped, dank cells that will now be within their reign.

"That door was always closed, with someone saying sit down, shut up, giving orders," Captain Ayadeh said inside the cell he sometimes shared with a dozen others. "Now the Palestinian Authority is in charge. It's hard to describe what I'm feeling — mostly mixed up."

As the uniformed Palestinians began to fan out across most of Hebron, it was apparent to most observers that their numbers exceeded the 400 who were to be positioned in the city under the terms of the Israeli-Palestinian agreement that was finally sealed this week after months of protracted negotiations.

Some also carried Kalashnikov rifles, as they are permitted to do in Gaza and the West Bank, despite language in the agreement that explicitly limits the Palestinian armory in Hebron to 200 pistols and 100 rifles.

But Palestinian civil authorities in Hebron shrugged off the apparent violations, saying that their military counterparts would and should do everything necessary to maintain order in a city with a long history of violence.

"Officially, 400 is the number," Mayor Mustafa Natsheh said of the limit on the number of Palestinian police and soldiers to be deployed. "But maybe it will be double or triple that to keep order. Who is going to count them?"

With a population of 160,000 Palestinians and just 450 Jewish settlers, Hebron had long chafed at the curfews and patrols that were part of Israeli rule, and many greeted the Palestinian policemen happily as they took up the mundane business of manning checkpoints and directing traffic on city streets.

But the reception carried none of the jubilation seen in Palestinian takeovers of other West Bank cities. With Israeli forces still in place to oversee part of Hebron, as they are not in any other city on the West Bank, many Palestinians described their happiness as incomplete.

INAUGURAL: *Thrill Is Nearly Gone*

Continued from Page 1

Paula Jones, Travelgate and accusations of illegal contributions to Mr. Clinton's re-election campaign — and starting the second term with an eye to history. Thus the inescapable theme of Mr. Clinton's campaign and inauguration: "Building a Bridge to the 21st Century."

"We wanted it smaller, less elaborate, a little more dignified," said Harold Ickes, who is coordinating the inauguration from the White House. "There's not the unbridled excitement there was in 1993, but I think there is a sense of satisfaction."

The centerpiece of any inauguration, of course, is the oath of office and the president's address. But that is only the beginning: Organizers have also planned a free, public exhibition on the Mall this weekend, full of music, interactive technology, children's entertainers and "great thinkers" thinking deep thoughts about the future of the country.

There will be a presidential gala, 14 official balls and a $30 million price tag that will be "fully disclosed."

"I think the first rule of this inauguration is no mistakes," Mr. Ickes said. "Two is to have it less elaborate, if you will, than the one in 1993. Three is to focus, to the extent possible, on American families and the future."

It is not a coincidence, therefore, that the president agreed to play himself in a CBS movie, "A Child's Wish," which prominently features the Family and Medical Leave Act. Nor is it a coincidence that Mr. Clinton appears in the film comforting a sick child, or that the show will air Tuesday, a night after the inauguration.

The president was involved in the plans for the inauguration and is said to be pleased with the mix of thoughtfulness and play, of past and future.

"The major events reflect that balance," Mr. Clinton said.

"From the gala and events on the Mall that are more celebratory to the sense of seriousness and purpose that surrounds the oath of office I will take on Monday."

Mr. Clinton has been reading past second-inauguration addresses, according to the White House press secretary, Michael McCurry, "to see how incumbent presidents upon reinauguration have done the rerun — how do you do a rerun and make it exciting?"

■ Ever-Tighter Security

Sari Horwitz of The Washington Post reported:

Don't plan on buying hot chocolate along the inaugural parade route to keep warm. For the first time, vendors are prohibited from selling hot chocolate — or hot dogs or any other hot food — so close to the action because their propane tanks pose a security risk.

Do plan on passing through a metal detector if you have bleacher seats in certain blocks on the parade route or will be in the crowd on the Capitol grounds for the swearing-in ceremony.

Hundreds of uniformed and plainclothes Secret Service agents, anti-terrorism specialists and bomb-detecting dogs will mingle with spectators.

On rooftops along the route, countersnipers from three agencies will be posted. Helicopters will fly overhead, and police robots will be available to handle suspicious packages that might contain explosives.

Security is always tight on Inauguration Day, but it will be tighter than ever this year, according to law enforcement officials.

Since the last inauguration, security concerns have been heightened because of the bombing of a federal building in Oklahoma City, the bombing at the Olympics Games in Atlanta and a recent spate of letter bombs delivered this month to the Washington, New York and London offices of a Saudi newspaper.

General Edwin Sutherland, World War II Fighter, Dies

By Robert McG. Thomas Jr.
New York Times Service

Brigadier General Edwin Van Valkenberg Sutherland, 82, a soldier and scholar who was one of the first Americans to start fighting the Germans in World War II and among the last to quit, died Jan. 6 at a hospital in Rochester, New York.

A longtime resident of Amagansett, Long Island, he had ended his 41-year army career after teaching literature to cadets as head of the English Department at West Point.

As an observer with the British 8th Army in North Africa in 1942 before the United States committed its own forces, General Sutherland, who was known as Van, had the dubious distinction of having his unit overrun by the Afrika Korps. He was cut off from his command and missing in action for several days.

But he found his way back, throwing himself into the successful effort to drive the Germans out of North Africa, pursuing them across Sicily and up the Italian boot. He then went to England to prepare for the Normandy invasion.

Landing on Omaha Beach as executive officer of the 26th Infantry, part of the 1st Infantry Division, he took command of the regiment, won distinction in the Battle of the Bulge, and eventually linked up with Russian troops in Czechoslovakia on the eve of the German surrender.

After the war, he had the special satisfaction as a 31-year-old lieutenant colonel of being put in command of the military security forces at Nuremberg. The post made him the de facto warden of the prison where the Nazi high command and other war crimes suspects were kept during the trials.

After the war, he also headed an army mission to Paraguay and served as deputy commander of a mission to Cambodia.

Salvador Ferigle, 73; Spaniard Established Opus Dei in U.S.

New York Times Service

The Reverend Doctor Salvador Ferigle, 73, who nearly 50 years ago took the conservative Roman Catholic movement Opus Dei to the United States from his native Spain, died of a heart attack Jan. 9 at Mount Auburn Hospital in Cambridge, Massachusetts.

Father Ferigle was a layman in 1949 when he helped establish an Opus Dei branch in the United States, near the University of Chicago. Opus Dei, a secular, mainly lay organization that originated in Spain in 1928, promotes traditional Roman Catholic values.

Edward Pflueger, 91; Set Up Bayer's Operation in America

NEW YORK (NYT) — Edward Pflueger, 91, who bridged the volatile realm of industrial chemicals and the delicate world of porcelain, died Wednesday at his home in Manhattan.

In 1954, Mr. Pflueger, who was born in Frankfurt, established the U.S. operations of Bayer, the German chemical corporation. He was chairman and president of the resulting company, ultimately called Baychem, until his retirement in 1975.

In the 1930s, Mr. Pflueger began to collect 17th- and 18th-century porcelain figures. He eventually assembled what is now considered one of the largest private collections of porcelain dishes, tiles, and animal and human figurines.

Chung Sung Jun/Agence France-Presse

A South Korean reporter trying to talk her way past riot police Thursday in Seoul to interview protest leaders.

Seoul and Strikers Spar on Terms for TV Debate

The Associated Press

SEOUL — A labor group reversed itself Friday and accepted a government offer to debate its grievances on television, but the government rejected its demand that its union leader participate.

Kwon Young Gil, head of the Korean Federation of Trade Unions, which is directing nationwide strikes, said he would accept the offer if he and the chairman of the governing New Korea Party were selected as panelists, his personal safety was guaranteed and the debate was televised live.

The governing party welcomed the labor federation's change of attitude, but said it could not allow Mr. Kwon to take part and could not guarantee that the debate would be live.

"We can't go on TV with persons on a government wanted list," said a spokesman for the governing party, Kim Chui. "If they send someone else who is free, we'll agree."

Mr. Kwon is among 16 union leaders sought by the government for leading labor protests in South Korea for more than three weeks. The unions are protesting legislation railroaded through Parliament that makes it easier for employers to lay off workers while delaying for five years the right to form trade unions. Mr. Kwon's federation is considered by the government to be an illegal organization.

He and six deputies have taken refuge at a Roman Catholic cathedral in central Seoul.

KOREA: *In Hyundai's Base City, the Real Target of the Strike Is Not the Company But Global Economic Forces*

Continued from Page 1

feel a little ambivalent about walking off the job this time.

This strike, he says, is not really against Hyundai, the company that has brought him and his family solidly into the middle class. "We are not angry at the company," he said, "just at the government. It's not about money, it's politics."

The complex dynamics at work in the strike can best be seen in this city of 1 million on the southeastern coast, which has long been the hotbed of South Korea's labor unrest and a focus of the current strike.

Here in Ulsan, South Korea's blue-collar capital, walking off the job over a perceived injustice is a matter of honor. Although he had misgivings about harming Hyundai, Mr. Lee felt compelled to strike.

"I'm afraid what my son will think about me if I don't strike," he said. "My son will think I'm a chicken."

This city was practically built by the Hyundai Group, one of the largest of the giant family-controlled conglomerates, known as *chaebol*, that dominate the Korean economy.

About 80,000 workers here are employed by the six Hyundai subsidiaries that stretch in a chain along the city's waterfront: Hyundai Motor Co., South Korea's largest car manufacturer; Hyundai Heavy Industries, the largest single shipbuilding yard in the world; Hyundai Precision; Hyundai Pipe; Hyundai Wood Industries; and a Hyundai ship-repair center.

Although the strike is large, it is concentrated among relatively few companies, and Hyundai, particularly its automobile subsidiary, is one. Some other chaebol, like the Samsung, LG and Daewoo groups, have experienced little or no unrest.

This has to do in part with Hyundai's history of poor labor relations. In a nation of endemic strikes, no company has had more problems than Hyundai. As a result, its unions are militant and primed for conflict.

Hyundai says it has labor problems simply because so many blue-collar workers are concentrated in Ulsan, which makes them easy to organize. But labor officials say it has to do with the company's attempts to fight the unions.

In the interest of rapid economic growth, unions were suppressed by Korea's authoritarian leaders until 1987, when democracy started to take root. At that point, workers began organizing and striking for a bigger share of the nation's growing wealth. But Hyundai fought off unionization attempts.

In the late 1980s, there were cases of hired thugs attacking labor leaders, and at least one case in which a union organizer was kidnapped and held for a few days, according to "Korean Dynasty," a 1994 history of Hyundai by Donald Kirk, a journalist. For their part, workers also resorted to violence at times.

In the last few years, the number of strikes for higher wages at Hyundai have diminished, but a bitter legacy remains.

Because of this history, the right to organize is important to the Hyundai unions, and that is one of the issues in the current strike. The new labor law will make it easier for companies to hire strike replacements. And the law delays for three years the legal recognition of the Korean Confederation of Trade Unions, an umbrella group that is orchestrating the current strikes and to which the Hyundai union belongs.

But even in Ulsan, many workers are not striking now. Woo Byung Ho, a 40-year-old welder at Hyundai Heavy Industries, said he cannot afford to walk away from his job.

"I was in strikes in 1988, 1989 and 1990," he said. "Now I dislike the union. During the strikes, I lost a lot of money."

One factor behind the diminishing ardor for strikes is Ulsan's growing affluence. The city has department stores and boutiques and an airport, none of which existed a decade ago. Beside salaries that have tripled in the last 10 years, Hyundai workers are also entitled to other benefits typical of a company town.

Workers can get a 50 percent discount at the hospital that is owned by Hyundai and the company will pay for tuition at a private school run by Hyundai.

And they can rent or buy subsidized apartments, like the Ten Thousand Apartments complex, that have been built by Hyundai.

The upward mobility of Mr. Lee and his fellow tenants of the Ten Thousand Apartments can be glimpsed each morning in the building's parking lot, where people push cars back and forth by hand in what looks like some kind of ritual.

So many residents have bought their first cars in recent years that there is now a severe shortage of parking spaces. People double-park, leaving the brakes off and the gears disengaged to allow others to shove their cars out of the way.

About 90 percent of married workers at Hyundai Heavy and Hyundai Motor own their own apartments or houses, a Hyundai spokesman said.

The government and Korean corporations say wages, which have risen 15 percent a year for the last 10 years — 8 percent after adjustment for inflation — are now too high, threatening the competitiveness of Korean industry.

MOSCOW: *U-Turn in Post-Soviet Intrigue*

Continued from Page 1

diplomats in a parked car were accused of being drunk and were taken to a police station, although they both had diplomatic immunity. The diplomats protested that they had been harassed and treated with "unacceptable brutality."

After that, Russia's chief delegate to the United Nations, Sergei Lavrov, protested that his limousine had been singled out for a blitz of parking tickets by the New York police while parked in front of the Russian Mission.

In Moscow, the traffic police set up their own little "net" for foreigners. In one case, they simply waited outside a parking lot on the wide boulevard running into the center of the city. Every car that pulled out of the lot with American license plates was ordered to pull over.

Foreigners know the traffic police by their Russian acronym, GAI. They come equipped with a white stick to wave people over.

There is always an unspoken dance when a driver is stopped. The officer inspects documents. If they are in order, he waits.

Often, it is possible to get on one's way again relatively quickly — at a price.

On Thursday, near the American Embassy, there was a long line of cars on a busy street where parents pick up children from school. It is nearly impossible to make a left turn in Moscow: The traffic engineers decided long ago that drivers should all make dozens of right-turns to get anywhere.

A U-turn in Moscow is even more illegal than a left turn. Perhaps the Soviet traffic engineers figured no one would ever need to turn around. So, who else was lurking in the line of parents' cars? A GAI officer in a cruiser, waiting until one of the parents goofed. After one such illegal U-turn on Thursday, it took a half-hour for the ticket to be written; the fine was $6.80, to be paid at a bank.

On Friday, the GAI unveiled the results of Operation Foreigner. According to Interfax, the police stopped about 1,000 cars with foreign plates on Wednesday and Thursday. They discovered 200 violations of traffic rules, confiscated 26 license plates, fined 52 drivers and drew up 124 "protocols."

The Americans were the worst, they announced, followed by French, British and Vietnamese drivers.

Kimimasa Mayama/Reuters

COMMEMORATION — A Japanese woman praying Friday at a park near Kobe on the second anniversary of the earthquake there.

GUEST: *Who Invited Lebed?*

Continued from Page 1

the year. That set up Mr. Lebed as a prime adversary.

The White House made it clear that the Lebed visit wasn't their idea. "We had nothing to do with it here," said Michael McCurry, the White House spokesman. The congressional inaugural committee denied inviting Mr. Lebed.

Mr. Lebed begged to differ. "I am invited to the inauguration of the president of the United States of America," he said on Russia's NTV commercial television. "I am invited by the president."

White House denials, he added, must be part of a plot hatched by Mr. Clinton and Mr. Yeltsin. "It's possible some internal maneuvering has started, linked mainly to the friendship between the presidents of the United States and Russia. I don't rule that out," he said while on a visit to Germany.

Both Mr. McCurry and the State Department spokesman, Nicholas Burns, indicated that if Mr. Lebed turned up, U.S. officials would meet with him because he has a major role in Russian life.

SHRED: *Night Watchman's Fateful Decision to Recover Documents Puts Him in Harsh Glare of the Spotlight*

Continued from Page 1

were about to be shredded. They were about to be destroyed, like garbage, so I didn't think it would be so bad."

Mr. Meili, the father of two small children, showed no regret about his decision, and no surprise that he had lost his job and was under police investigation.

No one knows whether the documents he found will help unravel the financial tangles of the Nazi era.

The bank said this week that it shredded hundreds of pounds of documents before Mr. Meili stepped forward.

It said that the material had been reviewed by its in-house historian, who found, a spokesman said, that the documents had "nothing to do with the present discussions about the Holocaust." The historian, who kept no inventory of what was destroyed, was suspended Thursday from his job.

The documents that Mr. Meili rescued are in the hands of the the police, and are not being shown to the public. But Gian Trepp, a journalist who has written four books on Swiss banking, including a 1987 history of UBS, said that Mr. Meili had made a valuable discovery.

According to UBS, the documents being shredded came from a subsidiary called Eidgenoessische Bank.

Once one of Switzerland's biggest banks, Eidgenoessische had built up an extensive business with Germany during the Third Reich. When the Third Reich collapsed, the bank collapsed along with it. UBS took over the remains in 1945.

"There were several Swiss banks that cultivated close connections with Germany in the 1930s, and Eidgenoessische was one of them," Mr. Trepp said. "They attached their fate to the fate of Nazi Germany. What that means is that anything about Eidgenoessische has a possible relevance to the Holocaust."

When he found the information, Mr. Meili says, he knew no Jews and did not know where to take it.

He first called the Israeli Embassy in Bern, which brusquely told him either to drive to Bern or mail the documents. He refused to do either, and instead contacted the Israeli Cultural Center, a Jewish community center in Zurich that is primarily devoted to child care.

Werner Rom, president of the Israeli Cultural Center, went to Mr. Meili's house last Saturday.

"We told him to think this over very carefully," Mr. Rom said, "that he would probably lose his job if he went public and that he should think about his wife and children."

But Mr. Meili was determined to go public.

■ Praise From U.S. Jewish Group

A major American Jewish group praised Mr. Meili as a hero Friday. The Associated Press reported from Zurich.

Abraham Foxman, national director of the New York-based Anti-Defamation League, said that the League was setting up a 50,000 Swiss francs ($36,000) fund to help the intrepid night watchman in case of legal problems resulting from his whistle-blowing. Swiss law provides for fines or jail sentences for people who disclose banking secrets.

Mr. Foxman said that he did not have enough facts to judge the incident, but that he was "disappointed" by the Swiss reaction.

"I am concerned that there was no outrage in the banks or elsewhere," Mr. Foxman said.

'Saving' Art: When the Work Is Fantastic, and So Is the Bill

SOUREN MELIKIAN

International Herald Tribune

LONDON — *Going through the show* "Treasures for Everyone: Saved by the National Art Collections Fund," on view at Christie's until Jan. 26, is sometimes fascinating but more often puzzling. The works of art, all bought over the last 15 years with the help of the Fund, range from the 2d millennium B.C. to the 20th century. A dozen, perhaps, among the three-dimensional pieces could be described without exaggeration as masterpieces. Is this really all that could be "saved" of the finest and greatest from 1981 to 1996, leaving paintings aside?

Antiques should be brilliantly represented in a country that led European collecting after inventing the "Grand Tour" in the 18th century. The scarcity of real gems is surprising.

Part of an admirable Egyptian lintel of the 19th century B.C., bought in 1995 by the British Museum for £109,000 ($183,000) is one, despite the break that left out the lower half of a man's body seen sideways. Of the stream of metal objects — bronzes, gold jewels — dug up by amateurs running their metal detectors up and down the country and in effect scattering to the winds the early history of Britain, few can be seen.

A small bronze dog in repose, with its muzzle open and a laugh in its eye, is labeled "Roman" but is clearly Celtic. There is no trace in it of the descriptive realism of Roman art. *In 1995, the bronze cost the Ipswich Museum a mere £3,000 of* which £750 was contributed by the National Art Collections Fund. A circular brooch in gold cloisonne with red stone insets — found, the vendor said, with seven small pendants in the same technique — and a Barbaric, possibly Saxon imitation of *a Roman coin proved to be more costly to the same museum.* The pendant is fabulous, but so was the bill. Dug up in 1995 near Boss Hall, not far from Ipswich, the objects described as "The Boss Hall Grave Treasures" cost the museum £280,000, to which the Fund contributed £60,000.

More remarkable still, a "Romano-British" bronze stag (with its feet broken off) was bought in 1986 by the Brighton Museum and Art Gallery for £30,576. The Celtic genius for animal stylization comes out *in this so far unique object,* despite the strong impact of Roman naturalism. The ultimate for sheer beauty is perhaps to be sought in the pure abstraction of the bronze armlet found at Achayrail, Sutherland, in 1900 and put up for sale at Christie's by descendants of the Duke of *Sutherland. On July 16, 1986, the London dealer Rainer Zietz* bought it far above the estimate for £75,600 and sold it shortly after to his New York colleague Michael Ward, who has an outstanding eye for rarified antiquities. After an export license was temporarily denied, the Inverness Museum and Art Gallery got the masterpiece for £100,000.

National Art Collections Fund

A unique bronze stag from the 1st or 2d century A.D.

Add a large Bronze Age dirk of the 2d millennium B.C. found at Oxborough, Norfolk, which came up at Christie's on July 6, 1994. David Barrie, director of the National Art Collections Fund and a Ruskin scholar who loves antiquities, admired the object at the viewing. He mentioned it to the Norfolk County Museum. Eventually, the British Museum bought it for £52,000, the Fund contributing £20,000. Magnificent as such objects may be, they seem few in number over a 15-year period. The reason is partly that some never come out into the open and simply vanish unseen by most.

A similar problem bedevils British Medieval art. On Dec. 11, 1986, a lozenge-shaped gold pendant serving as a miniature reliquary turned up at Sotheby's. Engraved with the Trinity surmounted by a sapphire inset on one side, and with a Nativity on the other side, the jewel was said to have been "excavated *near Middleham castle, North Yorkshire,* September 1985." The engraving has a clumsiness not uncommon in some 15th-century woodcuts.

When asked about the significance of the Middleham jewel, Marian Campbell of the Victoria and Albert Museum, *and one of Europe's leading scholars in Medieval art, notes* that while the central scenes point to the impact of German iconography, the standing figures of saints engraved around the Nativity are very English. Add that little English jewelry other than rings survives from that period and the unique piece can indeed be seen to be of cardinal importance.

Its fate illustrates the problems that museums encounter when trying to go after unique pieces that considerably exceed the estimate, in this case £200,000 to £300,000. By the time it jumped the £500,000 barrier, only dealers were left in the running. A dealer bought it for £1.43 million. Even if the V&A had had the resources (it did not), no curator would be in a position to pay four times the high estimate.

Years later, in 1991, the jewel was stopped from leaving the country and was bought for £2.5 million for the Yorkshire Museum. The National Art Collections Fund came up with £180,000. Had it been acquired there and then with a national emergency fund, museums would have saved £1 million.

The record brightens slightly on the front of Medieval objets d'art preserved above ground. In 1988, three champleve enamel plaques decorated with Old Testament scenes in the style typical of the Mosan area between Lieges and Aachen became available for sale. They had been on *loan to* the V&A since 1924. Part of a group that now numbers 12, they probably belonged to some *altarpiece of the mid-12th* century, probably broken up in England — eight of the 12 plaques can be traced to an English provenance. (The Rolls family, which was selling the three plaques, already owned them at the time of the Manchester Art Exhibition in 1857.) Some believe that they might even *have been executed in* England. As objects, they are fantastic. The set was bought by *the museum for £840,000* A year later, another plaque from that group was sold at Sotheby's for £572,000. The museum had not had such a bad deal after all.

THE greatest buy is probably that of the Balfour ciborium made around 1160-1170. The V&A acquired it in 1981 for £1 million by private treaty. Most scholars agree that some blossoms in the design are found only *in English sculpture* and manuscript illumination. As an object, the ciborium ranks among the glories of early Medieval art.

The saga of a champleve enamel chasse decorated with scenes from the martyrdom of Thomas a Becket is less glorious. *Sent from Zurich to London by its Swiss owner,* Ernest Koffer Truniger, on Dec. 13, 1979, the chasse, made around 1180-1190, sold for £42,000 to the British Rail Pension Fund. The British Museum tried in vain to buy it. *Curiously, it agreed to* have it on a long term loan, instantly raising its value.

When the Pension Fund let it be known in 1995 that it wanted to sell, the British Museum tried to negotiate the piece. For a reason that was never disclosed, but might have something to do with the threat of *dire financial cuts to come,* it did not take up the last offer on the table, set, sources close to the transaction say, at £1.6 million. The British media, which had not uttered a squeak in 1979, became hysterical. The possibility of an English origin raised by a French researcher *two decades ago was suddenly presented as fact.* Amidst an explosion of jingoistic cheering, the chasse was bought in July by the V&A for £4.18 million. While it is the largest known among the 51 decorated *with similar scenes,* it hardly qualifies as the most sublime example of champleve enamel.

Britain, it seems, has not quite found the way to salvage its threatened treasures. The National Art Collections Fund does a fine assistance job, but proper funding from the government matched by genuine museum autonomy is the only solution.

Jesus Raphael Soto's Experiments With the Possibilities of Illusion

By Michael Gibson
International Herald Tribune

PARIS — The Venezuelan artist Jesus Raphael Soto, currently enjoying his first Paris retrospective since 1969, is widely known for his kinetic works. These are typically characterized by a number of horizontal rods of a single color suspended in front of a grid composed of thin black-and-white stripes.

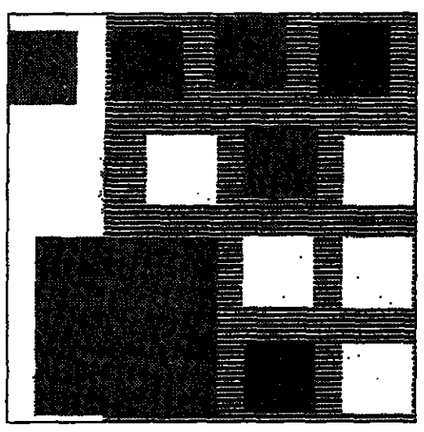
As one enters the show at the Jeu de Paume (to March 9), one is likely to see visitors bobbing up and down before them like parrots in a cage. There is a good reason for this. As long as both rods and viewer remain motionless, a simple optical illusion causes the rods themselves to appear striped. But one need only move very slightly one way or another to dispel this first illusion while at the same time producing a new one that causes the phantom stripes to move back and forth along the length of the rods.

Soto first adopted this simple principle in 1955. Instead of stripes he sometimes uses nylon thread hung vertically in close formation. A part of each thread is painted while others remain transparent, thus confronting the viewer with, say, the ghostly shape of a floating red sphere.

All this is done with exceptional rigor and craftsmanship, and a number of Soto's most recent works, while still using the stripes so closely associated with his name, experiment with the possibilities of a different range of illusions. In these works, squares of various colors are placed in front of a striped ground. The difference in color creates the impression that certain squares stand some distance in front of the stripes (which indeed they do), while others appear to be embedded in them (although they are not).

The extremely methodical exploitation of such a narrow range of shapes and colors is more readily associated with the rigors of scientific research than with art, and one is naturally interested in discovering how the artist was led to this orientation of his life work.

Soto was born in Ciudad Bolivar, Venezuela, in 1923, one of the five children of a violin player. At the age of 16 he was out of school and painting posters for the local cinemas.



"El cuadrado oliva," acrylic (1992).

Three years later he received a grant that allowed him to go to Caracas, where he studied at the school of fine arts. Most of his fellow students were admirers of Impressionism, which Soto himself was to find perplexing until he came to France. The light in his own country, he felt, was far too violent to allow its landscape to be painted in a French manner.

But when Soto finally reached Paris (with a six-month government grant), he was less attracted to Impressionism or Cezanne than to such artists as Jean Dewasne, who worked and taught in the hard-edged abstract vein.

When his grant ran out, Soto decided to stay in Paris to work and study, and played the guitar in night clubs for 10 years to survive.

In those times abstraction was the hard-line doctrine dominating the art world, though allowances were made for Soto's "New Realist" friends who used ordinary everyday objets in their work. Soto was quite close to Yves Klein in those years, and even mentions him in the same breath as Malevich and Mondrian.

In 1955 he saw Marcel Duchamp's "Rotating Spiral" at the Denise Rene gallery and began to take an interest in movement in art. This led his work into the new direction to which he would remain faithful throughout his career.

The earlier work places random shapes of twisted wire in front of a grid of narrow black-and-white lines applied on a whole range of surfaces, including odd bits of old wood. Only gradually did the works take on the hard-edged, industrial precision now associated with Soto's name.

His most recent works are the big quasi-paintings, done in the '90s, in which squares of various hues are placed before a ground of black-and-white lines. While they are also quite subtle optical teasers, they may nonetheless strike one as being ideal works for big halls and broad corridors where people only pass.

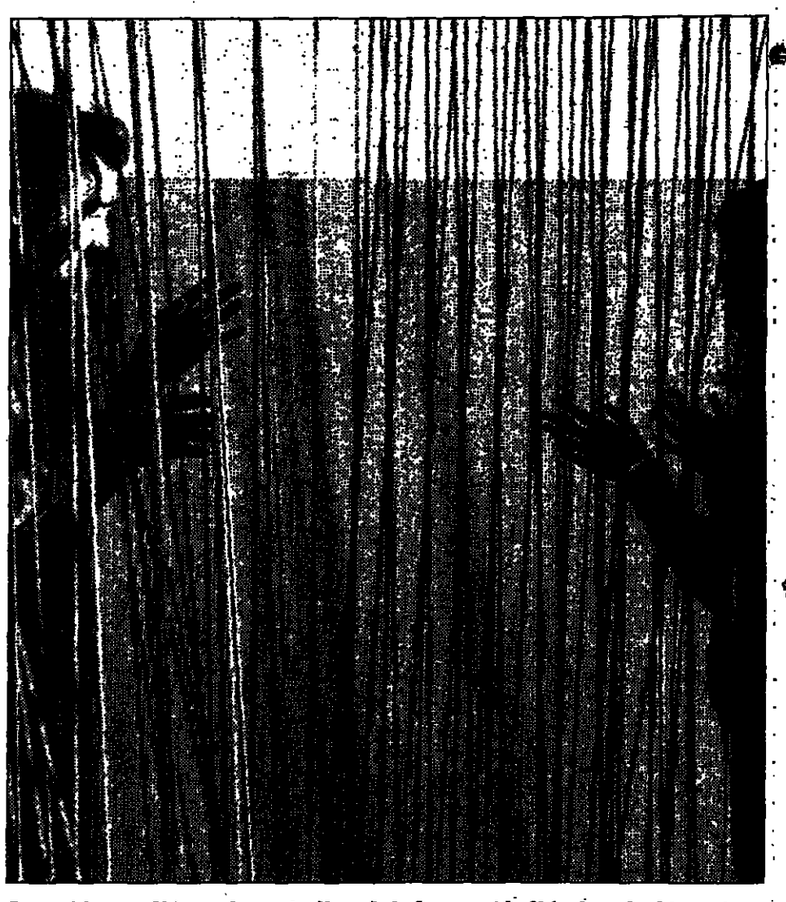
This is not intended to be dismissive but results from the very nature of the work, which tends to function more as a finely crated signal than as a painting through which the eye is enticed to wander at some length.

Soto's elegant work consequently represents one of the branches of art that developed, over the past decades, in response to an aesthetic imperative, but also, surely, to a moral one inherited from the Bauhaus.

It is highly formal, self-reverential, handsomely executed and commanded by rules that the artist likens to those governing the composition of 12-tone music.

The most recent work in the exhibition is the 1995 red sphere already mentioned. It is similar to the "penetrable" work through which visitors may pass as they enter the exhibition.

Both of these appear to be a rather apt representation of matter as described by contemporary physics, being composed more of vacant space than of solid substance. The sphere, especially, stands before one like some giant metaphorical atom whose shapes constantly shift and shimmer as the viewer circles it.



Soto with one of his works, typically rods before a grid of black-and-white stripes.

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The Enchanted World of Illuminated Books

By Rita Reif
New York Times Service

NEW YORK — For more than a thousand years, beginning around A.D. 500, Roman Catholic monks copied stories and illustrated them with heroic saints and fantastic beasts, capturing the glorious imagery also seen in medieval stained-glass windows. These illuminated manuscripts have been popular ever since, first with monarchs and bishops, and more recently with bankers and industrialists.

This year, illuminated manuscripts will be more visible in New York than they have been in decades. A bizarre world of monsters, demons, groveling humans and wide-eyed angels is *vividly depicted in the new* book "The Illuminated Manuscripts of Medieval Spain," by Mireille Mentre, published last month by Thames and Hudson of London.

The Metropolitan Museum of Art will include 50 books of exotic illuminations in "The Glory of Byzantium," an exhibition that will run from March 8 through July 6. The most ambitious show of such art, "Medieval Best Seller: The Book of Hours," will be held at the Pierpont Morgan Library, from September to January 1998. It *will present 100 books from* the 13th to the 16th century.

A prelude to this rich feast is currently on view in "Princely Magnificence," an exhibition of 50 illuminated manuscripts at Ursus Rare Books, in the Carlyle Hotel, through Feb. 8.

The show of 13th- to 16th-century works is the first of its kind at Ursus, which was founded 25 years ago by T. Peter Kraus. He got started in the business 30 years ago, working in Manhattan for his uncle, Hans P. Kraus, the Vienna-born dealer in rare books who *dominated the* market in illuminated manuscripts until his death at 81 in 1988.

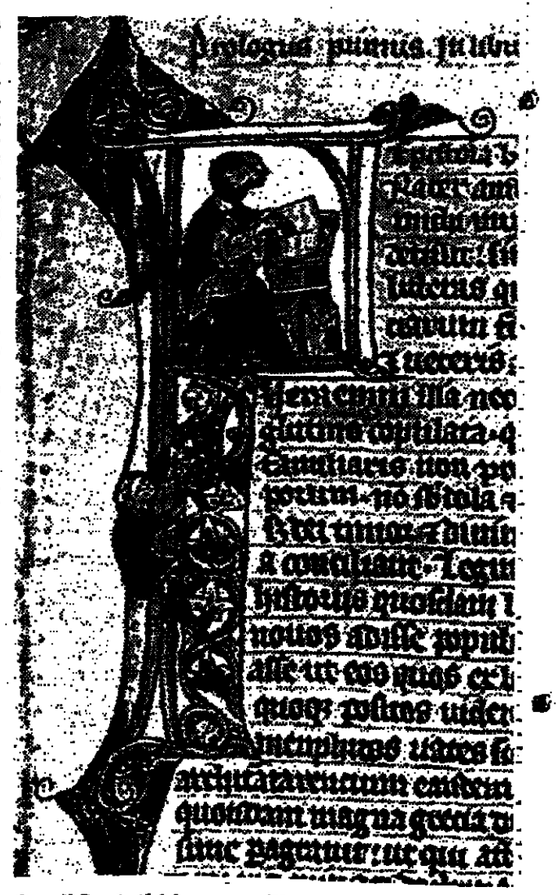
The Ursus exhibition was organized with Jorn Gunther of Hamburg, a dealer in medieval manuscripts and early printed books.

The works at Ursus range in price from $27,500 for a gilded 16th-century image of *Pentecost, depicting* the Holy Ghost as a dove descending on the apostles and Mary, to $5.5 million for a 13th-century psalter from Wuerzburg, *Germany, containing* many surrealistic images. Among them is a haloed Christ, seated in a temple among elders who wear hats shaped like flying saucers.

*The boldly rendered illu*minations enchant medievalists because they are so readily understood. "But what appeals even more to collectors *is that most of these books* come from great collections," Kraus said. "To know that an illuminated manuscript once belonged to a French king, or J.P. Morgan, helps them to identify with these men of power."

PAST owners of books in the show include many famous people. In the 1930s, Henri de Rothschild, for example, owned a 15th-century Parisian Book of Hours, a medieval book of prayers. And at the turn of the century, William *Waldorf Astor bought* another French version of the book, made in about 1520. That book is now called the Astor Book of Hours. J.P. Morgan, the banker, was *also buying* a century ago when he acquired "Ars Moriendi Treatise," a colorfully decorated 15th-century work about death.

"In France, illuminated *manuscripts* were still in religious houses in the 18th century," Kraus said. "They got dispersed during the French Revolution." But these days, sales of *illuminated* manuscripts are sparked by either plummeting financial markets or soaring prices.



Detail from a 14th-century illuminated manuscript.

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BUSINESS/FINANCE
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Bonn Denies It Will Miss Deficit Goal

Officials Insist Gap Will Be 2.5% of GDP

Compiled by Our Staff From Dispatches

BONN — Germany's budget deficit will fall below 3 percent of gross domestic product this year, the limit for membership in European economic and monetary union, the Finance Ministry reiterated Friday.

"We have not changed our deficit forecast of 2.5 percent of GDP," a ministry spokeswoman, Barbara Eckrich, said.

Her comments came in response to a newspaper report that quoted government sources as saying the deficit could exceed 3 percent in 1997, endangering the country's chances of joining a single currency at its scheduled launching Jan. 1, 1999.

Under the Treaty on European Union, countries that want to join the single currency, or euro, must meet rules on deficit levels as well as total debt, inflation and exchange and interest rates. Germany and France, considered critical to the planned monetary union, are struggling to meet the criteria.

Finance Minister Theo Waigel will freeze spending this month to try to meet his 1997 federal deficit target of 53.30 billion Deutsche marks ($33.43 billion), German newspapers reported.

The daily Handelsblatt reported that Mr. Waigel was personally scrutinizing all outlays above 500,000 DM to avert a financial crisis caused by higher-than-predicted unemployment benefits payments that are expected to add 6 billion DM more to government spending.

But Ms. Eckrich said no decision on spending would be made before Chancellor Helmut Kohl's full cabinet reviewed the government's annual economic report Jan. 28. Ministers directly involved in economic policy will discuss the report's findings Friday.

"I will not pre-empt the report," she said. "We have to wait and see what it says before we talk about a budget freeze."

The Finance Ministry said this week that the total deficit for federal, state and municipal governments in 1996 amounted to 3.9 percent of GDP.

It said the 1996 federal deficit rose to 78.30 billion DM, 18.40 billion DM higher than planned. The government blamed the higher deficit on sluggish economic growth and tax shortfalls.

The tax shortfall was taken into account in the forecast for the 1997 deficit, Ms. Eckrich said. In November the government said 1997 tax revenue would be 10.70 billion DM below the level forecast in May. *(Reuters, Bloomberg, AP)*

Leading U.S. Military Contractors

Ranking based on new prime contracts awarded in the 1995 federal fiscal year, the most recent for which figures are available. Also listed is each company's total revenue for 1995 (based on companies' financial years).

COMPANY	1995 PRIME CONTRACTS AWARDED	1995 TOTAL REVENUE
Lockheed Martin Including Loral	$12.45 billion	$28.33 billion
Boeing Including McDonnell Douglas	9.80	33.84
Raytheon Including military businesses of Hughes Electronics and Texas Instruments	5.91	25.40*
Newport News Shipbuilding Spun off from Tenneco in December 1996	3.71	1.80
Northrop Grumman	2.91	6.82
General Electric	2.10	69.28
United Technologies	1.77	22.80
General Dynamics	1.70	3.07

*Estimated.

Sources: Defense Department, Bloomberg — The New York Times

The New Odd Man Out In U.S. Arms Industry

By John M. Broder
New York Times Service

NEW YORK — Raytheon Co.'s successful bid for Hughes Electronics leaves Northrop Grumman Corp. as the wallflower in the military-industry discotheque, raising questions about its ability to compete with the three titans that soon will dominate the aerospace business.

Northrop Grumman — itself the product of a multibillion-dollar merger in 1994 — now faces the stark prospect of finding a suitable partner or falling into the second rank of military contractors.

Industry analysts said there were few attractive marriage prospects for the company that could catapult it into the same league as Lockheed Martin Corp., the proposed Boeing Co.-McDonnell Douglas Corp. combination and, now, Raytheon-Hughes.

"We're looking at three big players and a bunch of weenies," said Dan Goure, deputy director for political-military studies at the Center for Strategic and International Studies in Washington and once a senior official at the Pentagon.

"What happens to the loser in this particular exchange? My bet is that Northrop Grumman is the one that's going to be dancing a real fast dance to figure out what it's going to do."

Kent Kresa, chief executive of Northrop Grumman, expressed disappointment at General Motors Corp.'s rejection of his company's bid for Hughes but said that no one at company headquarters in Los Angeles was ready to go into mourning.

"We have been effectively competing in a world of giants for a long time," Mr. Kresa said. "We are a live, well and healthy company, and we plan to be that."

But even before failing in its bid to acquire Hughes, Northrop Grumman was in a difficult spot after decades among the pillars of the post-World War II weapons and aerospace business.

The company was one of the losing bidders for the U.S. Air Force's next-generation air combat jet, the F-22, and for the 21st-century multiservice attack plane, the Joint Strike Fighter. Northrop Grumman has suffered also from the U.S. curtailment of its B-2 stealth bomber program.

Just a week ago, Raytheon outbid Northrop Grumman to buy the military electronics business of Texas Instruments Inc. for $2.95 billion.

Adding to Northrop Grumman's woes is a heavy debt load taken on last March to finance the $3 billion purchase of the military electronics line of Westinghouse Electric Corp. That limits its ability to make cash offers for potential partners.

What remains is a relative pygmy in a world of behemoths. Company officials estimate Northrop Grumman's 1996 sales at $8 billion. By contrast, Boeing-McDonnell Douglas's projected sales for the year approach $48 billion, Lockheed Martin's, $30 billion, and Raytheon's and

See NORTHROP, Page 13

U.S. Trade Gap's Growth Slows

Sales in Asia Help to Keep Deficit Below Forecasts

Compiled by Our Staff From Dispatches

WASHINGTON — A drop in oil imports and increased exports to China and Japan kept the U.S. trade deficit from growing as sharply as expected in November, the Commerce Department said Friday.

The nation's overall trade deficit rose to $8.4 billion in November from a revised $8 billion in October, well below the $9.8 billion forecast by Wall Street economists and the record of $11.8 billion set in July.

Total exports rose 0.3 percent in November, to a record $71.97 billion, while imports gained 0.8 percent, to $80.37 billion.

"It was substantially better than expected," said Charles Lieberman, managing director and director of financial markets research at Chase Securities Inc. "There was only a slight deterioration in November after the enormous improvement in the trade account in October." But even with the recent improvement, the deficit for the first 11 months of 1996 ran at an annual rate of $112 billion, wider than the 1995 imbalance of $105.1 billion.

President Bill Clinton, who took office in 1993 vowing to make trade a top foreign-policy priority, has blamed the deficits — which have increased every year he has been in office — on weaker economies overseas. That has meant demand in the United States for goods, locally made as well as imports, has been rising more rapidly than international demand for U.S. products.

But there were dramatic improvements in November in the monthly deficits with Japan and China.

The deficit with China plunged 39 percent, to $3 billion, its first monthly decline in seven months, while the shortfall with Japan shrank 13 percent, to $4.32 billion.

It was the smallest monthly deficit with China since April, when the gap was $2.3 billion. The Commerce Department said the total deficit of $43.4 billion in U.S. trade with Japan in the first 11 months of 1996 was the lowest for that part of the year since 1991.

The smaller deficit with China apparently reflected the fact that U.S. merchants already had stocked up for Christmas, as imports of toys and clothing were down sharply from October. But exports to China also were at record levels, with the biggest gains in sales of soybeans and electrical machinery.

Oil imports dropped sharply in November, possibly reflecting completion of a buildup in winter heating-oil inventories. The value of crude petroleum imports declined to $4.11 billion from $4.81 billion even as the average price of a barrel of oil rose to $21.44 from $21.38.

As a result, the U.S. deficit with members of the Organization of Petroleum Exporting Countries plunged 27 percent, to $1.47 billion in November from $2 billion in October.

The United States typically runs a trade surplus in services such as travel and tourism that partly offsets its big merchandise-trade deficits.

In November, the merchandise-trade deficit rose to $14.7 billion from $14.1 billion in October, while the surplus in services widened to $6.3 billion from $6.1 billion.

The main contributor to the overall rise in U.S. imports in November was automobiles and parts made in Canada. Imports slowed in October because of a strike at General Motors Corp. plants in Canada, but once the strike ended, the normal flow resumed. On the export side, sales of civilian aircraft fell sharply in November, to $1.39 billion from $1.75 billion in October.

In another report Friday, the Federal Reserve Board said U.S. industrial output surged 0.8 percent in December, matching a similarly strong gain in November, partly on gains in production at auto plants. *(Reuters, AP)*

Europe's Stock Markets End A Record-Breaking Week

Compiled by Our Staff From Dispatches

LONDON — European stock markets closed at record levels on Friday as Wall Street recovered from an uncertain start and the dollar powered to a 30-month high against the Deutsche mark.

Shares in Milan paced the gains, with the benchmark Mibtel index rising 1.91 percent, to 12,304.00 points, amid hopes that industrialists and labor unions will sign a wage accord next week, paving the way for the Bank of Italy to cut interest rates.

In London, the Financial Times-Stock Exchange 100-share index finished at a record 4,207.70 as traders were cheered by a decision to hold interest rates steady. In Paris, the CAC-40 blue-chip index rose 0.72 percent to a record 2,425.10. *(Bloomberg, Reuters)*

Aid Donors Pledge $6.3 Billion to Asia

By Velisarios Kattoulas
International Herald Tribune

TOKYO — The Asian Development Bank said Friday that after seven rounds of often testy negotiations its member nations had struck a deal promising at least $6.3 billion in aid to Asia's poorest countries for road, dam and other infrastructure projects between now and 2000.

The bank's president, Mitsuo Sato, said there had been a breakthrough over the seventh installment of the Asian Development Fund after Washington agreed to pay $237 million in arrears and some emerging Asian nations bowed to Western pressure to give more generously.

Total contributions from the bank's 23 donor nations fell to $3 billion from $4.1 billion for the four-year period that ended last year. But considering the increased fiscal constraints on Western donors, the deal represented a "strong commitment" to the bank, Mr. Sato said.

"As individuals rich and poor, we are all in this together," he said. "As nations, we all need each other and must help each other."

The bank provides interest-free 30- to 40-year loans for basic infrastructure projects in its poorest member countries, such as Bangladesh.

As well as agreeing to pay its arrears over the next four years, Washington pledged $400 million to the seventh installment. That was down from $680 million pledged four years ago but still reflected a U.S. effort to reduce world anger over the money it owes to virtually every global institution.

The United States had thrown negotiations over the bank's funding into turmoil by threatening to halve its contribution from the amount pledged four years ago unless the wealthier Asian countries contributed more.

European donors, who this year cut their initial pledges but vowed to make voluntary contributions later, also asked wealthier Asian countries to contribute more, Mr. Sato said.

Washington called for the bank to consider halting loans to countries it deemed no longer in need of aid, such as Indonesia and the Philippines, shortening loan-payment periods and using more of the profit generated by the bank's commercial arm for aid.

Among Asian countries, Malaysia and Thailand made contributions for the first time, and South Korea increased its contribution to $54.3 million from $15 million four years ago. Malaysia said it would provide $10 million, and Thailand pledged $4 million

Japan remains the largest contributor, but its pledge of $1.02 billion was down from $1.41 billion four years ago.

The bank increased its own contribution to $3.3 billion from $1.9 billion.

ECONOMIC SCENE

Seoul's Choice: Control of the Chaebol or Growth

By Donald Kirk
Special to the Herald Tribune

SEOUL — The labor unrest in South Korea will not slow the growth of its *chaebol*, the country's giant business conglomerates, nor will government actions that are intended to reduce their size and power, analysts and business specialists say.

The strikes against some of the country's biggest manufacturers, which seemed to be tailing off Friday, may have temporarily slowed production, but they are not likely to reverse the growth of the biggest industrial groups, they say.

The new labor law that precipitated the strike is designed to spur industrial output — which for now should enhance the chaebol's share of wealth — when leaders of government and business are bemoaning a decline in growth in both exports and gross national product.

"We must remedy our high-cost, low-efficiency structure," said Lee Hahn Koo, president of the Daewoo Economic Research Institute, which examines such problems for Daewoo Corp., the country's fourth-biggest chaebol. "Otherwise we might fall into disaster."

By giving companies the right to lay off workers in times of economic slowdown, the government triggered walkouts in such key export sectors as shipbuilding and motor vehicles. In the end, however, government and business leaders say the law is needed to streamline industry — and reduce a trade deficit that has exceeded $10 billion in each of the past two years.

Government officials acknowledge that they are caught between recognition of the role of the chaebol in Korea's economic advance and fear that the size of the chaebol is stifling real competition and discouraging smaller, more innovative companies.

The question they ask is, what can they do to hold the chaebol in check without jeopardizing the entire economic structure?

"The government cannot fully monitor and prevent them; there are so many different practices," Chee Yoon Je, a senior counselor in the Ministry of Finance and Economy, said. Besides, he said, "They are the major players in the economy, and we don't want to discourage them too much."

A new version of South Korea's Fair Trade Act, passed two weeks before the labor law, epitomizes the ambivalence of the government in attempting to curb the chaebol while relaxing regulations that inhibit them.

As of 1998, any company in any of the 30 largest chaebol will be forbidden from guaranteeing loans to companies in the same group totaling more than 100 percent of the company's assets.

That provision represents a seemingly significant reduction form the 200 percent ceiling placed previously on intra-chaebol loan guarantees.

The largest chaebol are growing so fast, however, that most of the 10 largest are big enough to be able to guarantee almost all the loans they want, according to Kang Hee Bo, an adviser to President Kim Young Sam.

Chaebol leaders, all of them either founders or heirs to the founders of the groups, fought against the tougher restriction through the Federation of Korean Industries, a powerful organization of owners.

"Originally the government suggested a very radical change,' said Gong Byeong Ho, director of the Center for Free Enterprise of the Korean Economic Research Institute, an organization funded by the owners' group. "The Fair Trade Commission suggested the ratio of cross-guarantees of credit be reduced to zero percent by the year 2001," he said. But the federation protested so loudly that the law stuck to 100 percent.

The Fair Trade Commission, a watchdog agency that now has the status of a government ministry, also suggested outlawing the cross-holding system under which companies within a group, as well as a group's founder and heirs, invest in companies in the same group. The current ceiling on

See CHAEBOL, Page 13

Conrail Shareholders Reject Bid From CSX

Bloomberg News

PHILADELPHIA — Conrail Inc. shareholders voted down a proposal Friday that would have allowed CSX Corp. to proceed with its takeover of Conrail, giving the latest round of a heated takeover battle to a rival bidder, Norfolk Southern Corp.

The shareholders rejected a proposal that had the support of Conrail's board to exempt the company from a Pennsylvania law banning two-tiered offers such as CSX's. CSX has offered $9.3 billion in cash and stock, while Norfolk Southern has made a hostile all-cash bid of $10.3 billion.

At stake is the opportunity to form a combination that would dominate rail freight traffic in the United States and be the largest railroad in North America in terms of revenue.

"This vote is a rejection of the CSX/Conrail deal," said David Goode, Norfolk Southern's chairman and chief executive. "It is also a strong endorsement of Norfolk Southern's better offer."

But CSX and Conrail said they would complete their friendly merger. Conrail's chairman, David LeVan, said Conrail planned another shareholder vote on the proposed exemption and insisted that Conrail's board would not accept Norfolk Southern's offer.

John Snow, chairman of CSX, also said the company had no plans to raise its bid for Conrail or otherwise alter the terms of its agreement.

"The resolve of the Conrail board will not be shaken," Mr. LeVan told shareholders at the special meeting.

Conrail shares closed unchanged at $103.50. CSX rose $1.75 to $46.75, while Norfolk Southern fell 12.5 cents, to $88.125.

Conrail did not provide any figures on the vote. Mr. LeVan speculated that shareholders had voted down the exemption because of a recent offer by Norfolk Southern to buy 9.9 percent of Conrail Inc.'s shares for $115 a share if shareholders voted against the proposal. That is the maximum amount Norfolk Southern can buy without triggering Conrail's "poison pill" defenses.

CURRENCY & INTEREST RATES

Cross Rates

Jan. 17

	$	£	D.M.	F.F.	Lira	D.fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8095	3.0215	1.1234	0.3337	0.1158*	—	5.4495*	1.2995	1.5445*	1.351	1.347*
Brussels	33.945	55.785	20.617	6.112	2.1289*	18.3556	—	23.8575	0.2826	24.665	24.723*
Frankfurt	1.6036	2.685	—	0.2965	0.103*	0.8804	4.8602*	1.1568	1.3713*	1.197	1.1996*
London (a)	1.688	—	2.6877	9.0519	2,607.501	3.0377	55.4007	2.3346	195.373	2.234	224.084
Madrid	133.457	223.728	83.39	24.722	8.507*	74.342	4.047	96.496	114.385*	83.259	—
Milan	1,554.35	2,600.30	971.35	287.71	—	864.95	47.369	1,122.68	13.278	1,162.75	11.64
New York (b)	—	1.6820	1.6175	5.4558	1,570.00	1.8179	33.35	1.3996	117.325	1.3411	134.945
Paris	5.4066	9.05	3.3732	—	0.3474*	3.0018	0.1636	3.9834	4.6237*	4.0853	4.0445*
Tokyo	116.80	196.28	73.36	21.69	0.754	65.14	3.5491	86.49	—	87.06	0.8767
Toronto	1.3403	2.2342	0.8353	0.2456	0.0854*	0.7373	0.4017*	0.958	1.1419*	—	1.8993*
Zurich	1.394	2.3278	0.8659	0.2565	0.089*	0.7699	4.1946*	—	1.1987*	1.0411	1.0362*
1 ECU	1.2157	0.729	1.9533	6.5867	1,896.91	2.1939	40.2704	1.6876	142.497	1.6328	162.897
1 SDR	1.4189	0.8471	2.2953	7.6711	2,208.55	2.5544	46.9884	1.9649	165.720	1.904	N.Q.

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich, fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	248.59	Mex. peso	7.834	S. Afr. rand	4.657
Australian $	1.2832	Hong Kong $	7.7387	N. Zealand $	1.4138	S. Kor. won	848.85
Austrian sch.	11.273	Hung. forint	165.10	Norw. krone	6.327	Swed. krona	6.972
Brazil real	1.0433	Indian rupee	35.86	Phil. peso	26.29	Taiwan $	27.33
Chinese yuan	8.3262	Indo. rupiah	2375.0	Polish zloty	2.91	Thai baht	25.66
Czech koruna	27.35	Irish £	0.6107	Port. escudo	158.99	Turkish lira	112160.
Danish krone	6.068	Israeli shek.	3.2637	Russ ruble	5601.0	UAE dirham	3.6705
Egypt. pound	3.392	Kuw dinar	0.30	Saudi riyal	3.7506	Venez. boliv.	477.70
Fin. markka	4.7465	Malay. ring.	2.484	Sing. $	1.4038		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6722	1.6710	1.6698	Japanese yen	116.51	116.04	115.57
Canadian dollar	1.3373	1.3348	1.3320	Swiss franc	1.3808	1.3769	1.3725
Deutsche mark	1.5997	1.5967	1.5933				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Jan. 17

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 3/8 - 5 1/2	3 1/16 - 3 3/16	1 1/4 - 1 3/8	6 - 6 1/8	3 1/4 - 3 3/8	7/16 - 1/2	4 1/8 - 4 1/4
3-month	5 7/16 - 5 1/2	3 - 3 1/8	1 9/16 - 1 11/16	6 1/8 - 6 1/4	3 5/16 - 3 7/16	7/16 - 1/2	4 1/8 - 4 3/16
6-month	5 9/16 - 5 5/8	3 - 3 1/8	1 11/16 - 1 13/16	6 5/16 - 6 7/16	3 5/16 - 3 7/16	7/16 - 1/2	4 1/8 - 4 1/4
1-year	5 3/4 - 5 7/8	3 1/16 - 3 3/16	1 7/8 - 2	6 7/8 - 7	3 7/16 - 3 9/16	1/2 - 5/8	4 1/8 - 4 1/4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5.001	5 5/16
90-day CDs dealers	5.43	5.43
180-day CP dealers	5.32	5.33
3 month Treasury bill	5.02	5.03
1-year Treasury bill	5.29	5.30
2-year Treasury bill	5.96	5.98
5-year Treasury note	6.33	6.33
7-year Treasury note	6.40	6.42
10-year Treasury note	6.54	6.56
30-year Treasury bond	6.82	6.83
Merrill Lynch 30-day RA	4.95	4.95
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.42
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.56	0.56
10-year Govt bond	2.49	2.50
Germany		
Lombard rate	4.50	4.50
Call money	3.080	3.10
1-month interbank	3.12	3.12
3-month interbank	3.13	3.13
6-month interbank	3.16	3.16
10-year Bund	5.75	5.71
Britain		
Bank base rate	6.00	6.00
Call money	6.00	5 3/4
1-month interbank	6 1/8	6 1/8
3-month interbank	6 1/8	6 1/4
6-month interbank	6 5/16	6 5/16
10-year Gilt	7.39	7.40
France		
Intervention rate	3.15	3.15
Call money	3 3/16	3 5/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 1/4	3 1/4
6-month interbank	3 5/16	3 5/16
10-year OAT	5.59	5.57

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	354.70	354.70	−1.40
London	354.10	355.75	−2.70
New York	355.40	356.10	+1.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)

Source: Reuters.

AOL's New Prices Lead to Headache

Flat-Fee, Unlimited-Use Plan Brings Lawsuits and Frustration

By Laurence Zuckerman
New York Times Service

NEW YORK — With its network and the patience of its customers strained to the limit, America Online has announced a series of moves to try to relieve the congestion that has led to at least four class-action lawsuits and thousands of complaints from frustrated consumers.

The on-line service has been flooded with complaints from people around the United States who have been unable to gain access to the service since it began offering unlimited use for $19.95 a month in December.

To help ease the strain, AOL announced Thursday that it would suspend its television advertising campaign, spend an additional $100 million to expand the capacity of its network and add telephone representatives.

But even these measures will not relieve the company's clogged modems until the spring at the earliest, said Bob Pittman, the president and chief executive of AOL Networks, the unit of America Online Inc. that runs the on-line service.

The company has even resorted to asking customers not to use the service. In a letter posted to subscribers Thursday, Steve Case, the chairman and chief executive of America Online, said that many users were so worried about not being able to get on the network that they were simply staying on all the time.

Mr. Pittman said the increase in use after the new pricing plan was introduced had been greater than expected.

In December, American Online customers logged a record 102 million hours on line, up from 45 million hours in September.

Many customers use the service as part of their businesses, making the difficulty of gaining access to e-mail even more critical but also making it harder to quit the service. "I'd like to switch, but I've got my AOL address on my business card," said Jean Wyman, an entrepreneur who lives in Los Angeles.

The company said Thursday that it was aware of four class-action suits that had been filed against it in California, Illinois, New Jersey and New York.

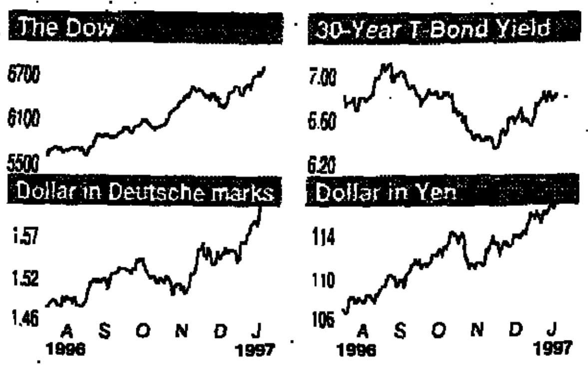
Last month, America Online reached an agreement with 19 states promising to clarify its new pricing plan and offer refunds to consumers who ask to switch back to their old plan before April.

Despite the many complaints, America Online said it was still growing. The company said it had a net gain of 1.2 million subscribers in the fourth quarter, for a total of more than 8 million.

A spokesman declined to say how many customers the company had been losing in recent weeks.

AOL shares closed at $40.75, down 62.5 cents.

Investor's America



Exchange	Index	Friday Close	Prev. Close	% Change
NYSE	The Dow	6833.10	6765.37	+1.00
NYSE	S&P 500	776.17	769.45	+0.87
NYSE	S&P 100	762.15	754.72	+0.98
NYSE	Composite	409.31	405.53	+0.93
U.S.	Nasdaq Composite	1348.04	1340.08	+0.67
AMEX	Market Value	589.95	587.36	+0.44
Toronto	TSE Index	6138.80	6103.66	+0.58
São Paulo	Bovespa	77522.80	76557.00	+1.26
Mexico City	Bolsa	3733.60	3701.38	+0.87
Buenos Aires	Merval	680.98	686.04	-0.74
Santiago	IPSA General	5295.28	5248.94	+0.88
Caracas	Capital General	6469.84	6396.96	+1.14

Source: Bloomberg, Reuters International Herald Tribune

Microsoft Earnings Soar 29%

Compiled by Our Staff From Dispatches

REDMOND, Washington — Microsoft Corp. said Friday that it earned a net $741 million in the quarter to Dec. 31, up 29 percent from a year ago and far exceeding analysts' expectations.

But the company warned of slower earnings growth beginning in its 1998 financial year.

Revenue for the quarter, the second in the company's fiscal year, was $2.68 billion, up from $2.2 billion a year ago.

"The company performed solidly in all of our businesses, including operating systems, desktop applications, enterprise software, tools, hardware and content," said Mike Brown, chief financial officer.

But the company said it expected earnings growth to slow beginning in July because of slower revenue increases in some of its "maturing businesses" and margin pressure as it invests in research and development for the Internet and other computer network products.

"We are making major investments for the future," said Bob Herbold, Microsoft's chief operating officer.

Microsoft's shares, which closed at $87.125 on the Nasdaq Stock Market, up $1.125, fell to as low as $85.25 in after-hours trading.

Revenue in the quarter was lifted by strong demand for the updated version of the company's Windows NT software and Windows 95, analysts said.

Microsoft began shipping in August the updated version of Windows NT, its network operating system software for businesses.

Demand for Windows NT is eating into the growing market for high-powered computer work stations.

More companies also are turning to Windows NT to use with computer networks based on Internet software. Windows NT includes free Internet software, a tactic in Microsoft's battle with Netscape Communications Corp.

Windows 95, a version of the Windows operating system introduced in August 1995, is included in nearly all the PCs that are being shipped and earns Microsoft revenue on each new PC sold.

During the quarter, Microsoft also presold 3 million copies of the new version of its Office product to corporate users.

Office, a package of database, word-processing and spreadsheet software, went on sale Thursday in stores.

Microsoft plans to defer about 30 percent of the revenue from Office during the next 12 months, which means that the bulk of the sales are expected to benefit later quarters. *(Bloomberg, AP)*

Cheery Profit Reports Give Stocks a Big Lift

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks rose Friday, with blue-chips trading in record territory, after a spate of better-than-expected profit reports cheered investors.

"I don't think that there are unrealistic earnings expectations in general this year," said Graham Tanaka, a money manager at Tanaka Capital Management.

The Dow Jones industrial average gained 67.73 points to a record 6,833.10, while gaining issues outnumbered decliners by a 5-to-3 ratio on the New York Stock Exchange.

The Standard & Poor's 500-share index rose 6.42 points at 776.17.

The stability of the bond market after a batch of strong economic data also cheered stock investors. The Federal Reserve Board reported that industrial production rose 0.8 percent in December, more than many analysts had expected, while the overall U.S. trade deficit expanded at a slower rate than expected.

But sentiment that the Fed would continue a steady course on interest rates helped calm bond investors. The price of the benchmark 30-year issue rose 1/32 point at 95 30/32, reducing its yield to 6.82 percent from 6.83 percent Thursday.

"The markets look ahead rather than backward," said Alfred E. Goldman of A.G. Edwards & Sons. "What they think is the economy isn't going to pick up too much steam."

Technology stocks led the market higher after a batch of strong earnings reports, led by Ascend Communications, which gained 6⅛ to 75 in very heavy trading.

The maker of computer-networking products said it earned 32 cents a share in the fourth quarter, topping analysts' estimates. Undelivered orders were stronger than expected, suggesting that last quarter's strength will continue in 1997.

"Ascend's report knocks down the idea that we're going to have weak profits this year," said Peter

U.S. STOCKS

DaPuzzo of Cantor, Fitzgerald & Co. "Some of the technology stocks will probably lead the market up."

Electronics for Imaging, a maker of connection equipment for digital color printing, rose 2½ to 91 after the company surpassed earnings projections for the fourth quarter.

Cyrix surged 3¼ to 24⅜ after it reported a loss of 23 cents a share for the quarter, 8 cents less than the consensus forecast. Mellon Bank earnings also surpassed forecasts, sending its shares up ⅝ to 74¼.

Network Computing Devices gained 2½ to 12½ after the computer equipment maker said it would pay $1.1 million and its insurers $11 million to settle five securities class-action lawsuits.

Pepsi was the most actively traded stock on the Big Board, rising ⅜ to 30⅜, and Coca-Cola shop up 1⅛ to 58¾ as market demand for soft-drinks companies vastly exceeded supply.

But not all news was good news. Uniphase plunged 5¼ to 40¾ after the maker of laser subsystems and other products for telecommunications equipment reported that sales in the second quarter fell short of first-quarter levels. VLSI Technology fell 5⅛ to 17⅜ after the chipmaker reported a fourth-quarter loss. *(AP, Reuters, Bloomberg)*

Very briefly:

ADM Settles With Agriculture Dept.

WASHINGTON (Bloomberg) — Archer Daniels Midland Co. signed an agreement with the Department of Agriculture on Friday that allows it to continue doing business with the government, under closer supervision, following its guilty plea to charges of price fixing charges, the department said.

The department also announced the suspension of three former company executives who face similar price-fixing charges from taking part in government contracts.

The settlement comes after the agribusiness giant pleaded guilty in October to charges it fixed prices on lysine, a component of animal feed, and paid a record $100 million fine.

- **AT&T Corp.** has given up hope of re-establishing contact with Telstar 401, a satellite that transmitted television programs, phone calls and computer data before failing Jan. 11. **Loral Space & Communications Ltd.** will likely pay less for AT&T Skynet Satellite Services, which the satellite served.
- **Airbus Industrie** told **USAir Group Inc.** it could no longer guarantee delivery times for the first of as many as 400 of the A-320 airliners the carrier ordered, because it had not yet signed a firm contract.
- **Equity Residential Properties Trust** is buying **Wellsford Residential Property Trust** for $996 million in stock and debt.
- **The World Trade Organization** ruled against Canada's bid to protect its magazine industry by taxing Canadian editions of U.S. magazines, Canadian newspapers reported.
- **Starwood Lodging Trust** and its affiliates will buy the hotel-management concern **HEI Hotels LLC** and 10 upscale hotels that it owns with **Prudential Insurance Co. of America** for $439 million in stock, cash and assumed debt.
- **Extended Stay America Inc.** agreed to buy **Studio Plus Hotels Inc.** for $290 million in stock.
- **Dayton Hudson Corp.** will sell or close 35 Mervyn's department stores, resulting in a $134 million charge in its fourth quarter. *Bloomberg, WP, AP, Reuters*

UAL Employee Ownership Sours

New York Times Service

NEW YORK — When United Airlines' pilots led an effort in 1994 to create one of the nation's largest employee-owned companies, the buyout was cheered by the Clinton administration as a way to preserve jobs.

But rather than establish a new model for working together, labor and management at United have reverted to a familiar groove.

On Thursday, United's pilots voted down by a 4-to-1 margin a tentative agreement that called for a cumulative wage increase of 10 percent over four years. The two sides will now enter binding arbitration, with no possibility of a strike, because the pilots' contract extends until 2000.

Employee ownership arrangements are often made during a financial crisis at a corporation. But once the crucible of crisis gives way to recovery, the parties sometimes regret concessions they made under pressure.

However the contract vote came out, leaders of the Air Line Pilots Association at United had warned that pilots would no longer try to foster a spirit of cooperation at the airline. In announcing the vote Thursday, union leaders, in a message on a telephone hotline, said the results "sent a clear message of dissatisfaction. This dissatisfaction transcends a mere wage dispute. It is also a vote against a business-as-usual attitude that has no place in an employee-owned company."

DOLLAR: *Strong Economic Data and Weak Prospects for Europe Send Currency to New Heights*

Continued from Page 1

at Deutsche Morgan Grenfell. Helping to clear a path for the dollar's ascent across Europe was pessimism about the prospects for Germany, Europe's biggest economy, which faces slowing growth and record unemployment.

The dollar closed in New York at 1.6175 Deutsche marks, up from 1.5945 DM on Thursday.

Analysts said that, if anything, the Bundesbank now welcomed a weaker Deutsche mark for the push a cheaper mark could give to German exporters when fiscal policy was being tightened.

"Anything that can deliver growth to Europe is welcomed, encouraged and desired by European central banks," said Kit Juckes, currency strategist at NatWest Markets.

Against other major European currencies, the picture was similar. The dollar finished in New York at 5.4558 French francs, up from 5.3795 francs, and at 1.3996 Swiss francs, up from 1.3737 francs. The pound was at $1.6682, down from $1.6975.

The dollar closed at 117.325 yen, up from 116.625 yen, but traders said the yen would have slipped even further except for widespread rumors that Tokyo had quietly propped up its currency in recent days by selling dollars and buying yen whenever the dollar currency hit 117 yen.

Japanese exporters are already thriving at these exchange rates, the traders noted, and an even cheaper

FOREIGN EXCHANGE

currency carries the risk of increasing trade tensions with Washington while offering relatively little in economic gains. For the time being, market fears that the Bank of Japan will oppose any further slide in the yen have checked the dollar's move. Its $200 billion in currency reserves makes others reluctant to bet against the Japanese central bank.

The dollar's move against the mark, on the other hand, comes closer to a rout. In the first two full weeks of this year the dollar has risen more than 0.06 DM, or half as much as in the previous 12 months. The U.S. currency has already soared through the 1.60 DM level that many forecasters thought was a good bet for midyear.

Some have now notched up their dollar expectations to 1.65 DM by year-end. Brian Martin, chief currency economist at BZW, goes further. He said he thought the dollar would test its 1994 highs this year by soaring to 1.75 DM.

Underpinning the dollar's strength is a widening gap between what investors are paid for their dollar deposits and what they get for those held in other major currencies. At the beginning of last year, 10-year interest rates in Germany, for instance, stood slightly higher than those in the United States. By the end of the year, U.S. rates had opened a 0.7 percentage point gap — a gap that has now widened to 0.92 percentage point. At the same time, U.S. rates are six percentage points above those in Japan.

All things considered, Mr. Juckes said, "It is no surprise that the rest of the world is falling over themselves to lend money to the U.S.A."

AMEX

Friday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	252	18	17¼	17⅜	—⅜
ARC	550	4	3¹³⁄₁₆	3¹⁵⁄₁₆	—
ARM F pf	401	26	25⅞	26	+⅛
AVIC Gp n	242	2⅞	2⅞	2⅞	—¹⁄₁₆
AckGrp s	131	11¼	11	11¼	+⅛
AcmeU	133	5½	5	5⅛	—⅜
AdmRsc	121	17⅛	16⅝	16⅝	—½
AdvMag	88	19	18	18	—¼
AdvMed	520	4⁹⁄₁₆	4⁵⁄₁₆	4½	—
AirWat	90	6⁵⁄₁₆	6⁵⁄₁₆	6⁵⁄₁₆	—⅛
Alamco	314	14⅝	14¼	14⅜	+⅛
AHoasen	396	15⅝	15⅝	15½	—
Alfin	82	1½	1⁷⁄₁₆	1½	—¹⁄₁₆
AlldRsh	198	7¹³⁄₁₆	7⅝	7¹¹⁄₁₆	—¹⁄₁₆
Alphatn	348	8½	8⅛	8⅛	—¼
Amdahl	20517	12⅛	11¼	11⅜	—⅜
AIM 86	100	11⅜	11⅜	11⅜	—¼
AmerPag	126	4⅝	4⅜	4⅝	—
AmShrd	167	2	1⅞	1¹⁵⁄₁₆	—¹⁄₁₆
Ampex	2598	9⅝	9⅜	9¼	—¹⁄₁₆
Anuhco	98	7⅜	7⅜	7⅜	—
AstLiving	95	17	16	17	+1
Astrotc	189	6½	6¼	6⅜	—
Audvox	8679	7⅛	6¹⁵⁄₁₆	7⅛	—⅛
AurorEl	110	1⅜	1⅜	1⅜	+¹⁄₁₆
Autotote	1057	1¹¹⁄₁₆	1½	1¹¹⁄₁₆	+⅛
Axogen un	143	27⅞	27⅞	27½	—⅜
Azco	912	1⅝	1⁹⁄₁₆	1½	—
BAT Ind	884	16¹¹⁄₁₆	16½	16⅝	—⅛
Baker	204	6¹³⁄₁₆	6⁹⁄₁₆	6¾	+⅛
Baldw	224	2⅜	2⅜	2⅜	+⅛
BT dep	917	25¾	25⅝	25⅝	—⅛
BarrLb s	429	27⅜	26½	26½	+1½
Barlstr	355	1⅞	1½	1⅝	—⅜
BayMea	633	42½	41½	42	—⅛
Bayou	276	3⅛	3⁵⁄₁₆	3⅛	+⅜
BS CUB	69	4⅜	4	4⅜	+⅜
BemaGold	2645	6⁷⁄₁₆	5¹⁵⁄₁₆	6⁵⁄₁₆	+⅛
BentPh	163	3	2⅞	2⅞	—¼
BinkMf	141	40⅝	39⅞	40⅝	+¾
BioR A s	255	32	31⅛	31½	—
BiscApp	121	1	⅞	1	+⅛
BlkB109	610	11⅜	11⅛	11⅜	+¼
Bodde	101	12⅝	12⅛	12½	—⅜
BoganC	115	4⅝	4	4⅛	—
BortTch n	135	5⅝	4⅞	5⅝	+⅛
Bostmtd	112	15⅝	15½	15⅝	+¼
Bowne	363	22⅜	21¾	22¼	—¼
Brandyw s	520	21⅛	20⅝	20⅝	—
BritDig n	201	5¼	5⅛	5⅛	—
Buffton	184	2⅝	2⁹⁄₁₆	2⁹⁄₁₆	—¹⁄₁₆
CET EnvS	136	7⅛	6⅞	7⅛	+½
CFX Co	354	17¾	15⅞	17⅜	+1¼
CIM	226	8⅝	8⅛	8⁷⁄₁₆	+¹⁄₁₆
Cablvsn	570	32⅛	31½	31⅞	—⅛
Cablvs pf	194	21⅞	21⅜	21⅝	—⅛
Cambior	184	14⅝	14½	14⅝	—⅜
CdnOc g s	10223	18⅞	18	18⅞	+⅞
CanyonRs	424	2½	2⁷⁄₁₆	2½	+¹⁄₁₆
Coremtx n	394	16	15⅛	15⅝	+⅛
CFCda g	384	4⅝	4⁹⁄₁₆	4⅝	—¹⁄₁₆
CentSe	103	24⅞	24⅛	24⅝	—⅛
ChadThr	212	16⅛	15⅝	16	+⅛
Chief	339	24⅝	24¼	24⅝	—¼
Cognitrn	103	5	4⅞	5	—¹⁄₁₆
CohenStr	167	13⅝	13¼	13½	—¼
ColLb	272	13⅝	13⅜	13⅝	—⅜
CmdAst	342	7	6¾	6¹⁵⁄₁₆	—
CmaMan	95	13¼	13⅛	13⅜	—⅛
Continucre	102	8⅝	8⅝	8⅞	+⅛
CoreMatl	101	2⅝	2½	2⅝	—¹⁄₁₆
Cross	342	12⅝	12¼	12½	+⅛
ecCrwnL	305	1⅞	1⅛	1⅛	—¹⁄₁₆
Cubic s	160	27¼	26⅞	27	—⅛
Cvcom gs	107	3⅛	3¹⁄₁₆	3⅛	—
Di Ind	2773	3½	3⅜	3⁷⁄₁₆	—¹⁄₁₆
DRCA	136	4¹³⁄₁₆	4⅝	4¹¹⁄₁₆	—
DakotaM	86	1⅝	1½	1⅝	+¹⁄₁₆
DanlHd	7802	9⅛	8⅝	8⅞	-2
Datamet	939	1¹¹⁄₁₆	1⁹⁄₁₆	1¹¹⁄₁₆	+⅛
Dataram	231	9⅝	9⅜	9½	—
Dargr	238	12⅜	11⅝	12¼	+⅛
DaytonMn	558	6⅞	6½	6⅝	—¹⁄₁₆
DevnE	201	38	37⅝	37⅞	—
Donelly	805	23⅝	23½	23½	+⅛
EZ Serv	250	1⁹⁄₁₆	1⅜	1⅜	—¹⁄₁₆
EchoBay	6177	6⅝	6⁹⁄₁₆	6⅝	—
Edisto	379	9⅝	9	9⅛	—⅛
Edtek	1633	⅝	½	½	—⅛
ElPasoE n	1746	7½	7⅜	7⁷⁄₁₆	+¹⁄₁₆
Emeritus	411	12	11⅝	12	+⅛
EmerR	540	1⅜	1¼	1⁵⁄₁₆	—¹⁄₁₆
EmpCar	1958	3¹¹⁄₁₆	2⅞	3⅛	—⁹⁄₁₆
EnzoBi	1073	18⅝	17⅞	18⅛	—⅜
FarmTel s	87	3	2¾	3	—
Fibrod	230	32⅝	32½	32½	—⅛
FinFal s	170	17⅛	17	17⅛	+⅛
FlAust	336	8⅝	8¼	8⅜	+⅛
FAusPr	2267	9	8¹¹⁄₁₆	8¹³⁄₁₆	—³⁄₁₆
FtCntrl	90	4⁵⁄₁₆	4⅝	4⁵⁄₁₆	+⅛
Fiiber	470	11⅝	11⅛	11½	+⅛
FstfedA n	7534	14⅝	13⅞	14⅛	+⅜
ForstLb	1886	32⅝	32	32⅛	—
FortPet	325	3⁵⁄₁₆	3⅛	3⁵⁄₁₆	—
FrnvSel	307	6⅛	5¹⁵⁄₁₆	6	+⅛
Frischs	187	15⅜	15	15	—
GA Fncl n	199	15⅛	15	15⅜	—
GST Tele	629	9⅝	9⅝	9⅝	—
GamaB	91	3¹³⁄₁₆	3⅝	3⅝	—⅛
GaviCn	451	6⅝	6⁹⁄₁₆	6⅝	—
GenvDr	150	13⅜	13⅛	13¼	—⅜
GetchGld	2758	39½	36⅞	39½	+2½
GiantFd	382	34	33¾	34	—
Glatflt	354	18	17⅝	17⅞	—
Globlink	126	3⁵⁄₁₆	3⅛	3⅛	+¹⁄₁₆
GoVideo	2461	1⅜	1¼	1⁵⁄₁₆	+¹⁄₁₆
GldStarR	421	15	14⅝	14⅞	+¼
GormRup	493	14	13½	14	+⅛
GrleBayC	150	1¹¹⁄₁₆	1⅝	1¹¹⁄₁₆	+¹⁄₁₆
Greenbri	475	17⅜	16⅞	17⅜	+⅜
GrnStCA	137	12⅝	12⅜	12½	—⅛
GreyhndL	4061	5	4¹³⁄₁₆	4⅞	—¹⁄₁₆
HalEP	106	9⅜	9¼	9⅜	+⅛
Halsey	187	5½	5⁵⁄₁₆	5⁵⁄₁₆	—³⁄₁₆
HallerM n	159	18	17⅝	17⅞	+⅛
HangOr	94	6⅝	6⅛	6⁵⁄₁₆	—¹⁄₁₆
HanvDir	2049	¹⁵⁄₁₆	¹³⁄₁₆	⅞	—¹⁄₁₆
Han wtB	10413	¹⁄₁₆	¹⁄₃₂	¹⁄₃₂	—
Harken	8137	3¹⁵⁄₁₆	3⅝	3⅝	—
Hasbro	1067	39⅛	39	39⅛	—
HawAir	176	3⁷⁄₁₆	3⅜	3⁷⁄₁₆	—
HlthPro s	113	1⅛	⅞	1⅛	+¹⁄₁₆
Hearx n	7683	2³⁄₁₆	2⅛	2⅛	—
HlSnearT	89	5⅝	5¼	5⅜	—⅛
HomeVil n	125	19	18⅝	18⅝	—⅛
Homey wt	5765	9¼	9	9	—⅛
HoopHl	103	16⅝	16½	16½	—⅛
HousBld	100	1½	1½	1½	—¹⁄₁₆
HovnEn	195	7⁹⁄₁₆	6¹⁵⁄₁₆	7⁹⁄₁₆	+⅜
HungTel	108	10⅝	10⅜	10⅜	+¼
ICG Com	1180	17⅛	16⅝	17	+⅛
IGI	482	7⅜	6⅞	7⅛	+½
Identix	731	9¹¹⁄₁₆	9⅜	9⅝	+⅛
ImgCMfg	191	23⅛	22⅞	23⅛	+⅛
ImpHly	91	15⅜	14⅞	15¼	+⅛
ImpOil g	598	49	48⅝	48⅝	+⅛
IntgSys	96	3⅜	3¼	3⅜	+⅛

Stock	Sales	High	Low	Latest	Chge
InCtPd	319	3⅜	3¼	3⁵⁄₁₆	+⅛
InterDig	743	6¹³⁄₁₆	6¹¹⁄₁₆	6¾	+¹⁄₁₆
ecIntrine	125	⁵⁄₁₆	¼	¼	—⅛
Intrmagn	148	12⅝	12½	12½	—⅛
IntThrgh	311	4⅝	4⅜	4⁹⁄₁₆	+¹⁄₁₆
IntstGC	162	3⅝	3⅜	3½	—
IvaxCp	6070	11	10⅝	10⅞	+⅛
JTS Corp	1544	3⅛	2¹⁵⁄₁₆	3	+¹⁄₁₆
JoneInt	207	14½	13¾	14	+⅛
KBK Cap	110	4⅛	3⅞	3⅞	—⅜
KFX Inc	967	5⅝	5	5½	+½
KV Ph A	151	15⅝	14¾	15⅝	+⅝
Keane s	465	32½	32¼	32⅜	—
KeyEng	5092	14⅝	13⅞	14⅜	+⅝
KogrEq	180	18⅛	18	18⅛	—
Krug	141	6⅛	5⅞	5⅞	—¹⁄₁₆
LXRBiot	123	2⁹⁄₁₆	2⅜	2⁹⁄₁₆	—
LaBarg	205	7	6⅞	6⅞	—⅛
LenSTC wf	330	8½	8⅛	8½	+⅛
MAI Sys	169	7⅝	7½	7½	—¼
MSB Bcp	83	19⅝	19⅜	19⅝	—⅛
MagnPet	321	5	4⅞	5	+¹⁄₁₆
Marltan	98	4	3¹⁵⁄₁₆	4	+¹⁄₁₆
MaximPh n	103	8⅛	7¹⁵⁄₁₆	8⅛	+³⁄₁₆
Maxxam	162	53¾	53⅛	53⅝	+⅜
MeasSpcl	110	3¼	3⅛	3⅛	—⅛
MedcR	690	12⅝	11¾	12¼	+⅛
Medeva	82	17⅝	17¼	17⅜	—
Media	227	32	31	31⅜	+⅜
MediaLog	193	3	2⅞	2⅞	—⅛
Mediq	152	6⅝	6⅜	6¼	+⅛
MercAir	118	7⅝	7½	7½	—¼
MelPra s	139	13⅝	13⅜	13½	—⅜
Metromda	1229	11¼	10⅝	10⅝	—½
MidABc	98	19⅝	18⅝	19⅝	+⅜
MidatRty	256	11½	11⅜	11½	—
MMed	112	11	10⅝	10⅝	—¼
MorgnF	225	⁹⁄₁₆	½	⁹⁄₁₆	+¹⁄₁₆
MS TMX	330	40¼	39⅝	40	+⅜
MSNik 97wt	452	2⅜	2⁵⁄₁₆	2⅜	+⅛
MuniMtg n	782	17	16¾	17	—
Munvst	286	9⅛	9	9	+¹⁄₁₆
MunyAZ	152	12⅛	12⅛	12⅛	+⅛
Myersind	110	16½	16⅛	16½	+⅛
NTNCom	1382	4	3⅝	3⅞	+¹⁄₁₆
Nabors	4398	22	21⅜	21½	—½
NatBev s	118	8⅝	8½	8½	—⅛
NtPatnt	175	8⁹⁄₁₆	8½	8⁹⁄₁₆	—
Netmed n	120	7	6⅝	6⅝	—⅛
NY Times	4769	39⅝	38⅞	39⅛	+⅞
Nordic wt	1015	4½	4⅜	4⅜	—⅛
NA Vacc	497	23⅜	22⅞	23⅛	—⅛
NtmnTch	186	7⅛	6⅞	7	—⅛
Novavx	214	3¹⁵⁄₁₆	3¹¹⁄₁₆	3¹³⁄₁₆	+⅛
OmniMult	351	2⅜	2⅞	2⅜	+⅛
Oncor	667	4⅝	4	4⅝	—⅛
Oncormd	259	6¼	5⁹⁄₁₆	6¼	+⅜
Orgnogn	1032	23	22⅝	23	+⅛
PC Quote	144	2¾	2½	2⅝	—⅛
PLC Sys	349	26	25⅝	25¾	—½
PLM	93	3½	3⁷⁄₁₆	3½	+¹⁄₁₆
PacR&E n	131	2½	2⅜	2⅜	—⅛
PanAmC n	163	8	7⅝	7⅞	—¹⁄₁₆
PaxsnC	1164	8¹³⁄₁₆	8⅜	8¹¹⁄₁₆	+¹⁄₁₆
PegGld	2214	7⅝	7¼	7⁹⁄₁₆	+¹⁄₁₆
PenRE	145	24½	24⅜	24½	—⅛
PennIC	154	8½	8⅛	8½	+⅛
PhxNet	287	4	3⅞	3⅞	—¼
Phonetel	845	3⅝	3⅜	3½	+⅛
PinRsc	844	17⅜	17⅛	17¼	—⅛
Polyph	401	5⅛	4⅞	4¹⁵⁄₁₆	—¹⁄₁₆
PrpdLg	1037	16⅛	15⅝	16	+⅛
PrcCm	730	8⅝	8⅜	8⅝	—⅛
Pricell s	259	10	9⅝	10	—
PropCT	342	8⁷⁄₁₆	8	8⁷⁄₁₆	—
PsycCp	636	8	7½	8	+⅝
QC Opt n	122	5⅞	5⅝	5⅛	—
RF Pow	255	3⅛	3	3⅛	+¹⁄₁₆
RegGold	194	1⅜	1¼	1⅜	—
Redlaw	126	1⅜	1⅛	1⅛	—
RegalBel	295	19½	19⅛	19⅜	—⅛
Riser	260	32½	32	32¼	—⅛
Rotonic	166	1⁵⁄₁₆	1⅛	1⁵⁄₁₆	+¹⁄₁₆
RoyalO g	1911	3⁵⁄₁₆	3³⁄₁₆	3¼	—¹⁄₁₆
SabaPet s	921	22⅜	20½	20⅝	—1⅜
SBYen wt98	210	6⅝	6⅛	6⅛	+⅛
SFeGp pf	410	¼	³⁄₁₆	¼	+¹⁄₁₆
SMonBk	167	17½	17¼	17½	—
Selas	210	18	16¾	17⅞	+1⅛
Servico	97	18½	18¼	18½	—
ShefldMd	370	3⁵⁄₁₆	3⅛	3¼	—
SilverFds	175	2⅜	2¹¹⁄₁₆	2¹³⁄₁₆	+¹⁄₁₆
SPDR	14898	77⅛	77⅛	77⁹⁄₁₆	—⁵⁄₁₆
SP Mid	790	51¹⁷⁄₃₂	51¹¹⁄₃₂	51²⁷⁄₃₂	+¹⁵⁄₃₂
StarrtCp	108	10⅝	10⅜	10⅝	—
SterHous	84	9⅝	9⅝	9⅝	—⅛
StevIntA	98	1⅜	1⁵⁄₁₆	1⅜	—
StrgCmp	84	11⅝	11¼	11⅝	+⅛
SubstAbus	446	2	1⅞	1¹⁵⁄₁₆	—
Sulcus	178	2³⁄₁₆	2	2⅛	—
Suprmind	323	6½	6	6½	+¹⁄₁₆
TabPrd	173	9¹¹⁄₁₆	9½	9⁹⁄₁₆	—¹⁄₁₆
TelDta	542	35⅝	35¼	35⅜	+⅛
TexBiotch	3529	5⅜	4¹³⁄₁₆	5	+⅛
TexBi wt	527	1	⅞	¹⁵⁄₁₆	+¹⁄₁₆
TexMer	1087	16½	16⅛	16⅜	—⅛
Thermed	297	19⅝	18⅞	19¼	+⅜
ThrmBio n	336	13⅜	13	13¼	—¼
ThCar s	152	29¼	28⅞	29	+⅛
TmEco s	253	15⅝	15	15⅛	+½
ThrFibr n	150	9½	9½	9½	—
ThrFibr rt	150	3	3	3	—
Thrinst	1102	33¼	32⅞	33¼	+½
ThrOptk n	67	12¼	11⅝	11⅝	—⅜
ThrmPw	367	8⅝	8½	8⅝	—³⁄₁₆
ThrSpcg	118	14½	14½	14½	—
ThrVolt s	182	12½	12¼	12⅜	—⅛
Thrmolse	1678	17⅛	16⅞	17⅛	+⅛
Thrmsl n	195	14⅜	14¼	14⅜	+⅛
Thrmotx	139	29¼	28¾	28⅞	—⅛
TopSrce	857	3⁵⁄₁₆	3³⁄₁₆	3⅛	+¹⁄₁₆
TotlPet	155	10⅛	10	10⅛	—
TownCty	357	⁵⁄₁₆	¼	¼	—
TWA wt	205	3⅝	3⅜	3⅜	+¹⁄₁₆
TWA	6483	6¹¹⁄₁₆	6⅛	6⁹⁄₁₆	+½
TrexMed n	129	15⅛	14⅝	14⅞	+½
Trnitech	175	4¹³⁄₁₆	4¾	4¹³⁄₁₆	—¹⁄₁₆
TubMex	5862	17¼	16⅞	17⅛	+½
USFGP	841	18⅝	18⅜	18½	+⅛
UTI Eng	89	34¼	33⅞	33⅞	—⅜
Unilab	726	⁹⁄₁₆	⁷⁄₁₆	½	—⅛
Unimar	194	5	4⅞	5	—
US Bio wt	240	6¼	5⅝	6	+⅛
USBiosci s	3909	17⅛	16½	16¾	—⅜
US Cell	123	27¼	27	27¼	—
Viacom	846	34⅛	33⅝	34	—
ViacB	8866	34¼	34⅛	34⅛	—
Viac wtC	354	⅛	¹⁄₁₆	⅛	—
VistaG g	791	1⁵⁄₁₆	1¼	1⁵⁄₁₆	—
Vitronic	704	1⁷⁄₁₆	1⅜	1⅜	+⅛
WRIT	553	18⅝	18⅜	18⅜	—⅛
Webcolnd	84	5⅜	5⁵⁄₁₆	5⅜	+¹⁄₁₆
WIRET	1313	13⅝	13⅜	13⅜	+⅛
WhitmE s	116	5⅝	5½	5⅝	—⅛
WshTc	504	⅝	⁹⁄₁₆	⅝	+⅛
WirelsT s	857	11½	10⅞	11⅛	+⅜
WEB Bel n	200	15¹³⁄₁₆	15¹¹⁄₁₆	15¹¹⁄₁₆	—⅛
WEBCan n	419	13⅛	12¹⁵⁄₁₆	13⅛	+¹⁄₁₆
WEB Ita n	213	16¹³⁄₁₆	16¾	16¹³⁄₁₆	+¹⁄₁₆
WEB Jpn n	229	12⅞	12⅞	12¹⁵⁄₁₆	—¹⁄₁₆
WEB Mex n	134	12¹³⁄₁₆	12¾	12¹³⁄₁₆	+¹⁄₁₆
XCL Ltd	22916	³⁄₁₆	⅛	³⁄₁₆	+¹⁄₁₆
Xytron	144	1¹¹⁄₁₆	1½	1⅝	—¹⁄₁₆

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6762.47	6835.79	6764.60	6833.10	+67.73
Trans	2307.45	2318.40	2304.32	2312.23	+4.47
Util	237.63	239.31	237.56	239.24	-1.47
Comp	2104.05	2120.76	2104.49	2120.43	+15.64

Standard & Poors

	High	Low	Close	Chg.
Industrials	913.45	906.02	913.27	+7.25
Transp.	558.39	554.39	555.76	+1.19
Utilities	203.45	202.38	203.45	+1.07
Finance	85.43	84.34	85.41	+0.97
SP 500	776.37	769.72	776.17	+6.42
SP 100	762.71	754.72	762.15	+7.43

NYSE

	High	Low	Last	Chg.
Composite	409.43	406.12	409.31	+3.19
Industrials	517.97	513.80	517.67	+3.87
Transp.	362.70	360.02	362.00	+1.87
Utility	267.25	265.45	267.25	+1.74
Finance	365.01	361.10	365.01	+3.61

Nasdaq

	High	Low	Last	Chg.
Composite	1349.41	1340.78	1348.00	+7.54
Industrials	1155.04	1151.36	1155.04	+5.23
Banks	1307.73	1303.58	1307.73	+1.16
Insurance	1443.69	1438.89	1443.69	+1.23
Finance	1630.44	1620.92	1630.44	+13.02
Transp.	924.06	918.56	921.39	+6.79

AMEX

High	Low	Last	Chg.
589.99	586.65	589.95	+2.97

Dow Jones Bond

	Close	Chg.
20 Bonds	103.48	+0.18
10 Utilities	100.62	+0.33
10 Industrials	106.33	+0.02

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
PepsiCo s	59630	30⅝	30⅛	30⅜	+⅜
TelefEsp	58093	74⅝	73⅝	74⅝	+⅜
CocaCl s	56774	58¾	57½	58¾	+1⅛
AT&T s	54072	38⅝	37⅝	38⅛	—⅛
Monsan s	51534	39⅝	37⅝	38⅞	-1⅜
WalMart	51532	23⅜	22⅝	23⅛	+⅛
LSI Log	49053	35	33⅝	34⅞	+⅜
GnMotr	45182	60⅝	59	60	—⅛
McDnlds	41971	46⅝	43⅝	46¾	+1⅝
CSX	41878	47½	45⅝	46⅝	+1⅛
AmerOn	41787	43⅜	40¼	41¼	—⅛
FedrDS	40670	31⅛	30	30½	—½
JohnJn s	39673	52⅜	51	51⅛	—⅛
CmpAsc s	37742	45¼	44¼	44⅞	—⅜
BayNtwk	35971	24⅛	23⅜	24⅛	—⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
VLSI	190603	22½	16⅞	17⅛	—5⅛
Intel	121135	145⅝	142	144¹¹⁄₁₆	+1¹¹⁄₁₆
Ascend	81424	75¼	71	75	+6⅛
Atmel	77282	42	38½	41⅛	+2⅛
Micrsft s	76909	87⅝	85½	87⅛	+1⅛
SunMic s	74992	31⅝	31	31¼	+⅛
Uniphase s	72174	42	34¼	40¾	—5¼
InfoDv	70777	12⅛	11⅛	11⅛	—2
Oracle s	60482	42⅜	41	41½	+¼
CascCm s	57304	60⅛	52½	60	-8⅛
WorldCm s	55447	26⅜	25⅛	25⅝	—⅛
ForeSys s	53657	32⅝	30¼	32⅜	+2¼
Cirrus	53320	17⅛	16⅝	16⅝	—⅛
Cisco s	51144	72⅝	70¼	72⅝	+2¼
US Robt s	47181	72⅝	67½	71⅝	+4½

AMEX

	Vol.	High	Low	Last	Chg.
XCL Ltd	22916	³⁄₁₆	⅛	³⁄₁₆	+¹⁄₁₆
Amdahl	20517	12⅛	11¼	11⅜	—⅜
SPDR	14898	77⅛	77⅛	77⁹⁄₁₆	+⅝
Han wtB	10413	¹⁄₁₆	¹⁄₃₂	¹⁄₃₂	
CdnOc g s	10223	18⅞	18	18⅞	+⅞
ViacB	8866	34¼	34⅛	34⅛	
Audvox	8679	7⅛	6¹⁵⁄₁₆	7⅛	—⅛
Harken	8137	3¹⁵⁄₁₆	3⅝	3⅝	
DanlHd	7802	9⅛	8⅝	8⅞	+2
FstfedA n	7534	14⅝	13⅞	14⅛	+⅜

Trading Activity

NYSE	Close	Prev.	Nasdaq	Close	Prev.
Advanced	1549	1354	Advanced	2215	2035
Declined	967	1185	Declined	1824	1985
Unchanged	848	853	Unchanged	1687	1704
Total Issues	3364	3392	Total Issues	5726	5724
New Highs	212	220	New Highs	221	231
New Lows	16	19	New Lows	53	48

AMEX

	Close	Prev.
Advanced	305	277
Declined	236	262
Unchanged	194	188
Total Issues	735	727
New Highs	45	34
New Lows	7	10

Market Sales

	Today Close	Prev. cons.
NYSE	532.44	638.23
Amex	23.61	30.31
Nasdaq	631.29	612.97

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Caldwell Partners	-	.055	2-4	2-14
Cascade Bncp	-	.50	1-22	1-29
Virginia Gas Co	-	.0125	1-31	2-15
STOCK SPLIT				
HealthSouth Cp 2 for 1 split.				
Sovereign Bncp 6 for 5 split.				
INCREASED				
Comerica Inc	Q	.43	3-15	4-1
Nova Scotia Pwr g	Q	.2025	1-31	2-14
Royal BcshrsPA A	-	.12	1-30	2-14
Royal BcshrsPA B.	Q	.138	1-30	2-14
SPECIAL				
Bk Sth Carolina	-	.50	1-31	2-27
Cornerstone Bk	-	.065	1-31	2-14
Microwave Filter	-	.05	2-3	2-18
Research Inc	-	.20	3-28	5-1
REDUCED				
Fidelity Fed Bncp	Q	.10	3-3	4-7
YEAREND				
Fst Mercantile g	-	3.60	1-31	2-14
INITIAL				
Freshstart Venture	-	.11	2-28	3-10

Company	Per	Amt	Rec	Pay
REGULAR				
Applied Industl	Q	.16	2-14	2-28
Burlington Res	Q	.1375	3-14	4-1
CT Water	Q	.43	2-28	3-14
Chittenden Corp	Q	.20	1-31	2-14
ComSat Corp	Q	.195	2-14	3-10
Dresser Indust	Q	.17	3-3	3-20
German Amer	Q	.21	1-25	1-31
Harbalife Intl	Q	.15	2-5	2-12
Knape Vogt A.	Q	.165	2-14	3-7
Knape Vogt B.	Q	.15	2-14	3-7
Legg Mason	Q	.13	3-7	4-7
Magna Bancorp	Q	.15	1-27	2-11
Ohio Valley Bk	Q	.25	1-27	2-10
PIMCO Advis LP.	Q	.47	1-30	2-15
Peoples Bk CT.	Q	.22	1-31	2-14
Perkin Elmer	Q	.17	3-3	4-1
Prime Retail	Q	.295	2-3	2-15
Providence Engy	Q	.27	2-5	2-14
Std Fed Bancorp	Q	.20	2-14	2-28
Templeton Glb Gv	M	.05	1-31	2-14
Time Warner Inc	Q	.09	3-3	3-17
Transam Income	M	.16	1-31	2-15
Wilmington Tr	Q	.33	2-3	2-17
York Fncl	Q	.15	1-30	2-14

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Jan. 17, 1997

	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	2.73¾	2.71¼	2.73¼	—0.00¼	128,991
May 97	2.73½	2.71	2.73¼		61,185
Jul 97	2.73	2.70½	2.72¼	—0.00½	58,084
Sep 97	2.69	2.67¾	2.68¾	—0.01	7,994
Dec 97	2.70	2.67	2.69	—0.00¾	41,063
Est. sales 48,000 Thu's. sales 68,953					
Thu's open int 302,122 up 2440					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jan 97	244.50	240.80	243.40	+1.30	3,296
Mar 97	237.50	233.80	236.70	+1.40	38,639
May 97	234.00	231.00	233.60	+1.40	20,782
Jul 97	233.40	230.50	233.10	+1.20	16,957
Aug 97	230.00	227.60	229.70	+1.00	3,065
Sep 97	223.50	222.00	222.60	+1.10	2,485
Est. sales 20,000 Thu's. sales 22,337					
Thu's open int 88,232 off 158					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jan 97	24.20	24.06	24.14	—0.13	2,356
Mar 97	24.50	24.35	24.44	—0.11	49,584
May 97	24.86	24.71	24.79	—0.12	17,431
Jul 97	25.15	25.03	25.14	—0.09	13,806
Aug 97	25.28	25.18	25.23	—0.11	2,474
Sep 97	25.40	25.30	25.33	—0.10	2,638
Est. sales 19,000 Thu's. sales 23,425					
Thu's open int 92,512 off 1121					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jan 97	7.46½	7.42	7.46	—0.01½	1,863
Mar 97	7.49	7.43	7.48¼		72,373
May 97	7.48¾	7.42	7.48		31,881
Jul 97	7.48½	7.43½	7.48		30,761
Aug 97	7.43½	7.40	7.42	—0.01	4,832
Est. sales 45,000 Thu's. sales 49,957					
Thu's open int 157,787 up 1862					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	3.88¼	3.79¼	3.80½	—0.06¾	28,863
May 97	3.70	3.66	3.66½	—0.04¾	8,979
Jul 97	3.55	3.50½	3.52¼	—0.01¾	22,357
Sep 97	3.56½	3.53½	3.55½	—0.02½	1,310
Est. sales 13,000 Thu's. sales 17,355					
Thu's open int 62,712 up 950					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 97	65.80	65.35	65.60	—0.12	28,919
Apr 97	66.45	66.12	66.35		31,333
Jun 97	63.80	63.35	63.72		12,764
Aug 97	64.18	63.75	64.05	+0.20	11,587
Oct 97	66.70	66.35	66.70	+0.25	7,009
Dec 97	68.35	68.00	68.30	+0.23	3,006
Est. sales 8,100 Thu's. sales 11,027					
Thu's open int 95,473 off 748					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 97	69.12	68.85	69.07	+0.02	2,047
Mar 97	69.05	68.37	68.97	+0.27	7,256
Apr 97	69.25	68.70	69.15	+0.20	2,561
May 97	69.65	69.20	69.65	+0.23	3,464
Aug 97	72.10	71.85	72.05	—0.05	2,946
Sep 97	72.05	71.85	72.05	—0.02	529
Est. sales 2,043 Thu's. sales 2,744					
Thu's open int 19,695 up 121					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 97	76.25	73.65	75.75	—0.55	12,145
Apr 97	75.00	74.57	74.67	—0.40	9,854
Jun 97	78.70	78.25	78.42	—0.25	6,809
Jul 97	76.25	75.90	76.20	—0.15	1,488
Aug 97	73.70	73.20	73.62	—0.33	1,334
Oct 97	66.70	66.45	66.62	—0.25	1,200
Est. sales 5,702 Thu's. sales 8,926					
Thu's open int 34,052 off 691					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	75.40	74.00	74.20	—0.67	3,971
Mar 97	75.60	74.20	74.40	—0.75	1,113
May 97	76.15	74.75	75.17	—0.63	1,438
Jul 97	76.80	75.25	75.95	—0.40	415
Aug 97	73.50	73.05	73.07	—0.45	376
Est. sales 1,838 Thu's. sales 3,191					
Thu's open int 7,217 up 7					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1345	1328	1338		27,696
May 97	1370	1355	1364		19,153
Jul 97	1392	1380	1385	+2	11,436
Sep 97	1408	1400	1404	+2	7,731
Dec 97	1426	1417	1424	+4	2,479
Est. sales 6,960 Thu's. sales 6,196					
Thu's open int 86,770 up 261					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	124.85	123.60	124.00	+0.95	21,923
May 97	121.20	120.00	120.45	+0.90	8,436
Jul 97	118.75	117.90	117.90	+0.70	3,027
Sep 97	115.70	115.00	115.25	+1.15	2,480
Est. sales 6,686 Thu's. sales 9,880					
Thu's open int 37,443 up 167					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.64	10.50	10.52	—0.05	67,801
May 97	10.69	10.60	10.61	—0.05	33,823
Jul 97	10.65	10.55	10.56	—0.05	25,984
Oct 97	10.67	10.59	10.60	—0.02	16,154
Est. sales 11,176 Thu's. sales 12,484					
Thu's open int 151,058 up 230					

	High	Low	Close	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 97	81.50	79.75	79.90	—0.50	22,051
May 97	84.40	82.75	82.80	—0.60	5,454
Jul 97	87.20	85.75	85.75	—0.55	1,536
Sep 97	89.60	88.50	88.70	—0.55	713
Est. sales N.A. Thu's. sales 2,198					
Thu's open int 30,051 up 332					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jan 97			355.70	+1.40	112
Feb 97	357.10	355.00	356.40	+1.40	88,676
Mar 97			357.20	+1.40	
Apr 97	359.00	357.00	358.50	+1.40	31,892
Jun 97	361.20	359.40	360.50	+1.40	19,450
Aug 97	363.20	362.70	362.90	+1.40	6,438
Oct 97			365.30	+1.40	3,032
Dec 97	368.20	366.90	367.80	+1.40	15,417
Est. sales N.A. Thu's. sales 34,351					
Thu's open int 201,160 off 2463					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jan 97	109.50	108.30	108.30	—0.20	3,542
Feb 97	107.90	106.70	107.05	+0.05	2,746
Mar 97	107.00	105.20	105.85	+0.05	36,232
Apr 97	104.00	104.00	104.10		1,006
May 97	103.30	101.80	102.65	—0.05	6,099
Jun 97			101.45	—0.25	761
Jul 97	101.40	100.40	100.55	—0.15	3,964
Aug 97	99.90	99.90	99.75	—0.15	553
Sep 97	98.80	98.50	98.95	—0.15	2,521
Est. sales N.A. Thu's. sales 8,818					
Thu's open int 56,299 off 32					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jan 97			474.3	+3.3	6
Feb 97			475.3	+3.2	2
Mar 97	481.0	473.5	477.2	+3.2	64,557
May 97	485.0	479.5	481.7	+3.2	10,373
Jul 97	489.5	484.0	486.3	+3.2	8,727
Sep 97			491.0	+3.2	2,965
Dec 97	500.0	498.0	498.1	+3.2	5,042
Jan 98			508.9	+3.2	9
Est. sales N.A. Thu's. sales 13,710					
Thu's open int 93,922 up 320					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 97			361.20	+0.30	25
Apr 97	366.30	364.10	365.20	+0.70	19,158
Jul 97	367.10	367.10	367.60	+0.70	2,919
Oct 97			370.00	+0.70	2,293
Jan 98			372.40	+0.70	1,076
Est. sales N.A. Thu's. sales 843					
Thu's open int 25,471 up 96					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1579½	1580½	1579½	1580½
Forward	1611.00	1612.00	1611.00	1612.00
Copper Cathodes (High Grade)				
Spot	2462.00	2467.00	2422.00	2427.00
Forward	2252.00	2253.00	2250.00	2252.00
Lead				
Spot	704.00	705.00	699.00	700.00
Forward	712½	713.00	708.00	709.00
Nickel				
Spot	7250.00	7260.00	7320.00	7330.00
Forward	7345.00	7355.00	7415.00	7420.00
Tin				
Spot	5990.00	6000.00	5930.00	5940.00
Forward	6045.00	6050.00	5980.00	5990.00
Zinc (Special High Grade)				
Spot	1111½	1112½	1096½	1097½
Forward	1133.00	1134.00	1118.00	1118½

	High	Low	Close	Chge	Opint
Financial					
UST. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.92	94.91	94.92	+0.03	4,744
Jun 97	94.76	94.75	94.76	+0.02	2,995
Sep 97			94.57	+0.04	304
Est. sales N.A. Thu's. sales 117					
Thu's open int 8,043 off 8910					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	106-09	106-025	106-07	+ 045	171,187
Jun 97	106-00	105-27	105-305	+ 045	7,995
Est. sales N.A. Thu's. sales 53,696					
Thu's open int 179,182 up 2770					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	108-17	108-06	108-13	+ 05	327,238
Jun 97	107-30	107-23	107-27	+ 06	12,760
Sep 97	107-13	107-10	107-11	+ 05	510
Est. sales 70,000 Thu's. sales 110,747					
Thu's open int 340,508 up 793					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	111-06	110-18	110-30	+ 07	477,316
Jun 97	110-21	110-03	110-15	+ 08	25,390
Sep 97	110-01	110-00	110-01	+ 08	5,478
Dec 97			109-19	+ 08	3,853
Est. sales N.A. Thu's. sales 512,175					
Thu's open int 512,095 up 14207					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	101.58	101.25	101.34	—0.27	228,031
Jun97	100.56	100.46	100.46	—0.27	5,970
Est. sales: 164,896. Prev. sales: 261,776					
Prev. open int.: 233,901 up 3,723					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar97	111-08	110-18	111-00	+ 0-08	161,121
Jun97	110-15	110-14	110-15	+ 0-09	227
Est. sales: 67,221. Prev. sales: 130,497					
Prev. open int.: 161,350 up 11,377					

	High	Low	Close	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	130.60	130.28	130.48	—0.14	127,487
Jun 97	129.12	128.96	129.08	—0.14	10,682
Sep 97	127.42	127.30	127.38	—0.14	656
Dec 97	N.T.	N.T.	96.74	—0.14	0
Est. volume: 142,592. Open int.: 138,825 up 2,609.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	131.53	130.75	131.32	+ 0.33	105,052
Jun97	131.00	130.41	130.87	+ 0.25	2,428
Est. sales: 44,699. Prev. sales: 76,092					
Prev. open int.: 107,480 up 5,305					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 97	94.430	94.410	94.420	+10	12,697
Mar 97	94.390	94.360	94.380	+20	401,971
Apr 97	94.320	94.300	94.310	+10	1,886
Jun 97	94.210	94.160	94.190	+20	361,302
Mar 00	93.260	93.200	93.240	+40	38,493
Jun 00	93.200	93.140	93.180	+40	35,233
Sep 00	93.150	93.090	93.130	+40	31,154
Dec 00	93.060	93.010	93.050	+40	24,820
Est. sales 325,080 Thu's. sales 465,432					
Thu's open int 2,184,675 off 3455					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6784	1.6640	1.6692	—76	38,505
Jun 97	1.6740	1.6620	1.6664	—76	2,357
Sep 97			1.6632	—76	1,027
Dec 97			1.6600	—76	7
Est. sales: N.A. Thu's. sales 9,056					
Thu's open int 41,896 up 1729					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7505	.7480	.7498	+7	40,110
Jun 97	.7548	.7530	.7541	+7	8,002
Sep 97	.7575	.7575	.7579	+7	3,453
Dec 97	.7615	.7615	.7615	+7	417
Est. sales N.A. Thu's. sales 10,740					
Thu's open int 51,998 off 823					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.6298	.6215	.6223	—74	70,979
Jun 97	.6300	.6258	.6263	—74	5,339
Sep 97			.6306	—74	2,015
Dec 97			.6350	—74	18
Est. sales N.A. Thu's. sales 23,617					
Thu's open int 78,351 up 1044					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.008656	.008588	.008617	—49	69,457
Jun 97	.008727	.008702	.008724	—50	1,965
Sep 97			.008840	—51	454
Est. sales N.A. Thu's. sales 20,479					
Thu's open int 71,983 off 1198					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7310	.7201	.7212	—101	47,418
Jun 97	.7334	.7270	.7279	—104	1,804
Sep 97			.7349	—107	1,883
Est. sales N.A. Thu's. sales 12,891					
Thu's open int 51,126 off 2497					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Feb97	96.93	96.89	96.93	+ 0.01	3,224
Mar97	96.93	96.91	96.93	+ 0.01	216,582
Apr97	96.93	96.93	96.93	+ 0.01	1,272
Jun97	96.93	96.91	96.93	+ 0.01	190,005
Sep97	96.84	96.82	96.83	— 0.01	144,626
Dec97	96.69	96.66	96.67	— 0.01	141,157
Mar98	96.53	96.48	96.50	— 0.02	108,321
Jun98	96.31	96.25	96.27	— 0.02	93,532
Sep98	96.03	95.99	96.00	— 0.02	71,131
Dec98	95.74	95.70	95.72	— 0.01	61,142
Mar99	95.46	95.44	95.46	— 0.01	40,110
Jun99	95.21	95.19	95.20	— 0.02	22,381
Sep99	94.94	94.92	94.94	— 0.01	15,739
Dec99	94.66	94.66	94.66	— 0.01	4,163
Est. sales: 112,270. Prev. sales: 205,956					
Prev. open int.: 1,115,481 up 13,728					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.62	93.57	93.61	+ 0.02	100,295
Jun97	93.37	93.33	93.36	Unch.	89,292
Sep97	93.14	93.10	93.13	Unch.	62,603
Dec97	92.95	92.90	92.95	+ 0.01	50,278
Mar98	92.84	92.79	92.84	+ 0.01	35,981
Jun98	92.75	92.70	92.75	+ 0.01	27,989
Sep98	92.70	92.64	92.70	+ 0.01	20,080
Dec98	92.64	92.58	92.64	+ 0.01	15,988
Mar99	92.58	92.53	92.56	Unch.	7,976
Jun99	92.50	92.45	92.50	+ 0.01	5,417
Sep99	92.45	92.39	92.43	+ 0.02	2,495
Dec99	92.41	92.34	92.40	+ 0.02	2,020
Est. sales: 55,989. Prev. sales: 209,937					
Prev. open int.: 423,336 up 15,797					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.81	96.79	96.80	+0.00	79,417
Jun 97	96.86	96.83	96.84	+0.00	44,638
Sep 97	96.81	96.78	96.81	+0.01	32,753
Dec 97	96.74	96.69	96.72	+0.00	22,656
Mar 98	96.61	96.57	96.59	—0.01	14,628
Jun 98	96.43	96.40	96.42	+0.00	12,333
Sep 98	96.20	96.17	96.19	+0.01	10,807
Dec 98	95.96	95.92	95.93	—0.01	9,462
Mar 99	95.67	95.64	95.65	—0.01	11,662
Jun 99	95.38	95.37	95.37	—0.01	5,546
Sep 99	95.12	95.09	95.11	—0.01	2,429
Dec 99	94.85	94.85	94.84	+0.00	961
Est. volume: 38,803. Open int.: 247,292 up 3,207.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.45	93.36	93.42	+ 0.02	98,854
Jun97	94.03	93.92	94.00	+ 0.04	65,419
Sep97	94.31	94.24	94.30	+ 0.04	39,834
Dec97	94.46	94.38	94.44	+ 0.04	26,480
Mar98	94.46	94.41	94.47	+ 0.04	13,478
Jun98	94.44	94.36	94.44	+ 0.05	6,401
Est. sales: 38,183. Prev. sales: 42,294					
Prev. open int.: 250,489 up 4,646					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	74.20	73.90	74.08	—0.13	23,594
May 97	75.65	75.44	75.54	—0.21	15,876
Jul 97	76.65	76.50	76.58	—0.17	7,316
Oct 97	76.80	76.45	76.70	—0.25	1,394
Dec 97	76.85	76.47	76.70	—0.26	10,142
Mar 98	77.80	77.45	77.68	—0.25	521
Est. sales N.A. Thu's. sales 6,114					
Thu's open int 59,851 up 396					
HEATING OIL (NMER) 42,000 gal - cents per gal					
Feb 97	69.95	68.30	68.40	—1.52	35,644
Mar 97	68.25	67.00	67.05	—1.23	24,499
Apr 97	65.30	64.50	64.60	—0.73	10,253
May 97	62.45	61.90	62.20	—0.23	5,595
Jun 97	60.50	59.50	60.00	—0.53	6,390
Jul 97	59.70	59.20	59.20	—0.43	3,593
Aug 97	59.85	59.30	59.80	+0.07	2,970
Sep 97	60.20	59.70	60.20	+0.17	2,012
Oct 97	60.50	60.50	60.50	+0.17	1,868
Dec 97	61.90	60.65	61.07	+0.17	4,188
Est. sales N.A. Thu's. sales 30,863					
Thu's open int 104,048 off 383					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Feb 97	25.65	24.95	25.35	—0.17	48,835
Mar 97	24.80	24.25	24.35	—0.47	80,160
Apr 97	24.75	23.80	23.87	—0.39	36,935
May 97	23.69	23.37	23.37	—0.34	21,062
Jun 97	23.15	22.70	22.90	—0.27	33,094
Jul 97	22.62	22.40	22.40	—0.38	15,484
Sep 97	21.75	21.69	21.70	—0.14	14,053
Nov 97	21.08	21.08	21.08	—0.04	8,442
Dec 97	20.90	20.72	20.90	+0.08	24,134
Jan 98	20.62	20.50	20.60	+0.04	11,514
Feb 98	20.45	20.38	20.38	+0.01	7,365
Est. sales N.A. Thu's. sales 101,146					
Thu's open int 383,796 off 1084					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Feb 97	3.300	3.080	3.220	—121	25,934
Mar 97	2.905	2.730	2.820	—89	27,717
Apr 97	2.490	2.370	2.445	—75	14,579
May 97	2.290	2.190	2.260	—40	11,802
Jun 97	2.200	2.130	2.208	—30	8,469
Jul 97	2.175	2.115	2.165	—40	8,113
Aug 97	2.170	2.120	2.165	—38	6,984
Sep 97	2.180	2.120	2.150	—35	6,179
Oct 97	2.180	2.140	2.150	—40	7,026
Nov 97	2.280	2.240	2.270	—25	4,036
Dec 97	2.400	2.360	2.390	—25	7,200
Est. sales N.A. Thu's. sales 40,189					
Thu's open int 160,217 up 169					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Feb 97	69.00	67.30	68.23	—0.44	23,456
Mar 97	69.15	67.80	68.00	—0.95	21,422
Apr 97	70.75	69.70	70.20	—0.50	10,458
May 97	70.25	69.20	69.80	—0.45	5,698
Jun 97	69.00	68.30	69.00	+0.06	4,136
Jul 97	67.15	66.50	67.15	+0.03	2,118
Est. sales N.A. Thu's. sales 23,935					
Thu's open int 68,247 up 490					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Feb 97	217.00	213.25	215.75	—3.00	25,788
Mar 97	207.75	205.25	207.25	—2.00	12,489
Apr 97	199.00	197.75	198.75	—3.00	8,785
May 97	193.25	192.25	193.00	—2.25	3,790
Jun 97	189.50	188.00	189.00	—2.75	7,542
Jul 97	188.00	186.00	188.00	—1.50	2,783
Aug 97	186.75	186.25	187.50	—1.25	1,114
Sept 97	186.00	186.00	187.00	—1.25	684
Oct 97	187.00	185.50	186.75	—1.00	1,056
Nov 97	187.25	187.00	186.50	—0.75	477
Dec 97	187.25	184.75	186.25	—0.50	2,719
Est. sales: 14,539. Open int.: 67,628 up 136					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Mar 97	22.94	22.53	22.54	—0.53	74,171
Apr 97	22.52	22.10	22.12	—0.46	22,261
May 97	22.11	21.75	21.75	—0.38	12,915
June 97	21.66	21.46	21.35	—0.33	17,504
July 97	21.25	21.00	20.95	—0.28	11,768
Aug 97	20.83	20.65	20.57	—0.28	2,821
Sep 97	20.50	20.30	20.22	—0.23	5,466
Oct 97	20.19	19.97	19.90	—0.20	3,309
Nov 97	19.81	19.81	19.62	—0.18	2,742
Feb 98	19.65	19.50	19.36	—0.18	3,251
Est. sales: 40,758. Open int.:156,753 up 4,015					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	781.70	775.00	780.90	+5.65	187,841
Jun 97	788.80	783.70	788.00	+5.50	8,016
Dec 97	804.40	800.30	801.20	+3.15	689
Est. sales N.A. Thu's. sales 78,599					
Thu's open int 198,359 up 7273					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4225.0	4195.0	4207.0	+ 4.0	61,129
Jun97	4232.0	4232.0	4231.0	+ 5.0	2,874
Sep97	N.T	N.T	4257.0	+ 4.0	1,388
Est. sales: 16,054. Prev. sales: 18,412					
Prev. open int.: 65,389 off 252					
CAC 40 (MATIF) FF200 per index point					
Jan 97	2432.0	2408.0	2429.0	+21.00	24,128
Feb 97	2433.5	2412.5	2433.5	+21.00	5,026
Mar 97	2441.0	2419.0	2439.0	+21.00	17,020
Jun 97	N.T.	N.T.	2402.0	+21.00	1,737
Sep 97	2407.0	2407.0	2410.5	+21.00	6,326
Mar 98	N.T.	N.T.	2446.0	+21.00	5,743
Sep 98	2417.0	2417.0	2421.0	+21.00	660
Est. volume: 21,152. Open int.: 60,640 up 417.					

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,471.40
Reuters	1,924.20	1,914.80
D.J. Futures	150.52	149.92
CRB	241.68	242.50

Guinness Buys Back 2.3% of Its Shares As LVMH Cuts Stake

Compiled by Our Staff From Dispatches

PARIS — LVMH Moet Hennessy Louis Vuitton SA sold one-third of its stake in Guinness PLC on Friday, and Guinness said a short time later that it had bought back 2.3 percent of its shares outstanding.

The two transactions were carried out at a price of 414 pence ($6.93) a share. LVMH, which owned 19.9 percent of Guinness, raised about £560 million, while Guinness spent £182.2 million on its share buyback.

LVMH said it intended to retain its remaining holding in Guinness and that the two companies intended to "pursue development of their commercial relationship." The sale was announced a week after LVMH concluded its purchase of 58.75 percent of DFS Group Ltd. a U.S.-based operator of duty-free shops that is the world's largest distributor of luxury products.

A representative of LVMH said the sale would finance part of the $2.47 billion purchase of the DFS stake. She said the decision to sell part of the Guinness stake reflected a shift in LVMH's outlook.

"It's a little more DFS, a little less Guinness," she said.

LVMH shares rose 3.3 percent in Paris to close at 1,551 francs ($288.27), up 49. In London, Guinness fell 4 pence to 432.

The buyback is the second in a year for Guinness, which has said it will focus on trying to lift the market share of brands such as Johnnie Walker Scotch whisky, Gordon's gin and the dark beer that bears its name rather than on making acquisitions. Part of its strategy, the company has said, is to return cash to shareholders through buybacks and dividends.

The company said it would cancel the shares and that the purchase would enhance earnings.

A spokesman for Guinness, Chris Davidson, said that under stock exchange rules, the shares had to be bought on the market rather than directly from LVMH.

The two companies forged a commercial partnership in the 1980s and followed it up with cross-shareholdings that left Guinness with a 34 percent stake in Moet Hennessy.

But the alliance began to weaken as the gap between the profitability of the drinks and luxury goods industries widened.

The champagne business's return on investment is roughly 6 percent, compared with 12 percent for perfume and cosmetics and 80 percent for designer luggage, said Cedric Magnelia, analyst at CSFB in London.

Last year, LVMH's chairman, Bernard Arnault, put pressure on]Guinness to increase shareholder value.

He was "clearly disappointed in Guinness's share-price performance," Mr. Magnelia said.

(AFP, Reuters, Bloomberg)

Low-Country Firms Join Airbus Project

Compiled by Our Staff From Dispatches

PARIS — Airbus Industrie signed up its first partners Friday for the European consortium's project to build an aircraft big enough to challenge Boeing Co.'s dominance in large-capacity commercial jets.

Airbus said it had signed memorandums of understanding with Belairbus of Belgium and Fokker Aviation, a unit of the Dutch engineering company Stork NV, on the study phase of the A-3XX superjumbo jet project.

The memorandums are expected to lead to an agreement that would total about $2 billion in business for Fokker and Belairbus, the consortium said. The two companies will be risk-sharing partners, it said.

Airbus said it was holding talks with other aerospace companies to try to place as much as 40 percent of the work on the A-3XX with risk-sharing partners. It did not name any potential partners.

Airbus estimates the development cost of the jet at $8 billion. Many analysts say it will cost more.

"This is a first step for closer cooperation between the aircraft industries of the two countries and Airbus Industrie," it said.

Both Fokker and Belairbus have worked with Airbus on other aircraft projects. *(Reuters, AP)*

New Blow at Morgan Grenfell

Firm's Top Fund Manager Resigns and Vows to Sue

Compiled by Our Staff From Dispatches

LONDON — A top fund manager suspended by Morgan Grenfell Asset Management over allegations that she had tried to recruit as many as 20 colleagues to move to another company, has resigned, the bank said Friday.

Nicola Horlick, 35, who had helped double Morgan Grenfell's pension funds under management to £18 billion ($30 billion) and was one of the most powerful fund managers in Britain, said she would sue for being forced out.

"I have done nothing wrong, and I don't see that I should be treated in this way," she said in an interview with the Evening Standard newspaper. "This is an individual facing a mighty bank, and I'm not going to let them beat me."

Morgan Grenfell, a unit of Deutsche Bank AG, has said it suspected that she wanted to take colleagues with her to ABN-AMRO, a Dutch bank that has been expanding its presence in London.

ABN-AMRO has denied preparing to hire a team of Morgan Grenfell managers, but it declined to comment on whether it had talked with Ms. Horlick.

A spokesman for Deutsche Bank, Hellmut Hartmann, said Ms. Horlick resigned Thursday night. He declined to comment further. A Morgan Grenfell spokesman in London also declined to comment.

Ms. Horlick did not answer calls at her home in London. But in another newspaper interview published Friday, she denied she had planned any mass defection from Morgan Grenfell and termed the actions of the company's senior managers "despicable."

She said her suspension and resignation had come only a week after the chief executive of Morgan Grenfell, Robert Smith, promoted her to try to keep her from leaving the company.

The incident rocked Morgan Grenfell just as it was recovering from a scandal involving its top retail fund manager. It also sent a shudder through the £700 billion British pension industry by raising questions about the stability of the companies that managed its money.

"It's a very difficult situation," said Nigel O'Sullivan, a partner at Bacon & Woodrow, a consulting firm specializing in pensions. "The worst thing for Morgan Grenfell is for staff to depart, or signs of it."

In October, five senior Morgan Grenfell executives were dismissed for having apparently failed to monitor the investments of the retail fund manager, Peter Young. Mr. Young was dismissed in September for having violated limits on the proportion of unlisted securities in the funds he managed. Deutsche Bank has spent £400 million buying the unlisted securities back from the funds and compensating 90,000 investors for losses.

Ms. Horlick was instrumental in helping to reassure clients after the Young incident. But she said she had not been able to halt a decline in morale at the company since the dismissals of the five executives. One of them was Keith Percy, chief executive of Morgan Grenfell Asset Management.

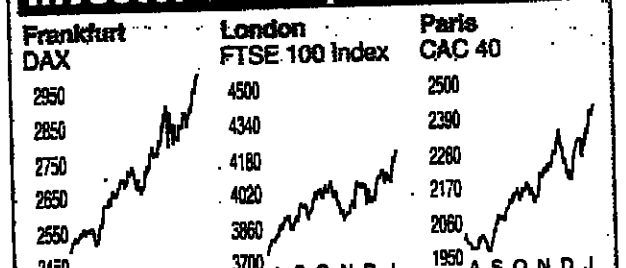
Ms. Horlick said she met last week with five fund managers who told her they planned to leave the company unless she was given more authority. On Friday, she said, the new chief executive, Mr. Smith, agreed to promote her to managing director and told her what her bonus for the year would be.

Ms. Horlick said she thought everything had been settled until, after a client meeting Tuesday morning, she was told she had been suspended. She has hired a lawyer and a public relations company and said she intended to sue for "constructive dismissal."

Deutsche Bank is conducting an investigation into a possible breach of Ms. Horlick's employment contract. Employees said she had been regarded as one of the few people at Morgan Grenfell who could inspire teams of fund managers to try to outperform their competitors.

After graduating from Oxford University in 1984, she spent seven years with Mercury Asset Management before moving to Morgan Grenfell.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	EOE	670.08	669.55	+0.08
Brussels	BEL-20	2,006.79	1,998.56	+0.41
Frankfurt	DAX	3,001.37	2,993.31	+0.27
Copenhagen	Stock Market	506.94	507.99	-0.21
Helsinki	HEX General	2,704.78	2,707.93	-0.12
Oslo	OBX	564.87	564.90	-0.01
London	FTSE 100	4,207.70	4,197.50	+0.24
Madrid	Stock Exchange	474.75	467.32	+1.59
Milan	MIBTEL	12,304.00	12,073.00	+1.91
Paris	CAC 40	2,425.19	2,407.77	+0.72
Stockholm	SX 16	2,638.80	2,628.28	+0.40
Vienna	ATX	1,167.89	1,167.94	Unch.
Zurich	SPI	2,579.16	2,568.85	+0.40

Source: Telekurs — International Herald Tribune

Very briefly:

- **Astra Merck Inc.** named Matthew Emmens acting chief executive of the Swedish-American pharmaceutical company, succeeding Wayne Yetters, who resigned to become chief executive of the U.S. operations of Novartis Pharmaceuticals.
- **Volvo AB's** truck sales fell 17 percent last year, to 63,682 because of shrinking markets in North and South America.
- **Scania AB's** chief executive, Leif Oestling, said the European truck market might shrink as much as 5 percent this year from 1996, partly because of a drop in sales in France in the aftermath of strikes by truckers.
- **Mercedes-Benz AG's** commercial-vehicles division will raise production slightly this year after posting a 9 percent rise in worldwide unit sales in 1996.
- **KLM Royal Dutch Airlines NV** will cut its basic travel-agent commission to 7.5 percent from 9 percent April 1, a move the airline said would save 24 million guilders ($13.4 million) a year.
- **IVAX Corp.** of the United States ended its joint venture with **Knoll AG**, a subsidiary of **BASF AG**, and instead concluded an agreement that granted the German pharmaceutical company marketing rights on more than 70 generic and patented drugs in Europe.
- **CompuServe Corp.** will expand its European operations into Switzerland, Austria, Sweden and Belgium. CompuServe already has localized services in Britain, Germany, France and the Netherlands.
- **La Caixa's** 1996 net profit rose 26 percent, to 70.5 billion pesetas ($530 million), lifted by acquisitions.
- **Winterthur Insurance**, the fourth-largest insurer in Europe, said it expected to have double-digit profit growth for 1996. It had net profit of 419.2 million Swiss francs ($304.4 million) in 1995. *AFP, AFX, Reuters, Bloomberg*

Italy to Name Napoli Victor Monday

Bloomberg News

ROME — Treasury officials said Friday the government would announce Monday who had won the bidding for its 60 percent stake in Banco di Napoli SpA.

The leading contender is Istituto Nazionale delle Assicurazioni SpA, a Rome-based insurer aligned with Banca Nazionale del Lavoro SpA, which offered 60 billion lire ($38.8 million) for the stake in the unprofitable Naples-based bank.

Mediocredito Centrale, a government-controlled bank, also has bid but is considered unlikely to prevail.

The government hopes the sale will close a costly chapter in banking history. Last year, after Banco di Napoli had run up 5 trillion lire in losses since 1993, the Treasury injected 2 trillion lire into it and set up an entity to guarantee 12.4 trillion lire of the bank's problem loans.

"The story of Banco di Napoli is a perfect example of the hangover in Italian banking from the corporate, political and economic travails of the past decade," Marco Torre, a banking analyst at Monte Paschi Mercato Sim in Milan, said.

Banco di Napoli lost trillions of lire on bad loans in the south of Italy, prompting judicial investigations and lawsuits accusing former managers of balance-sheet fraud and of awarding loans on the basis of political connections rather than credit quality.

The bank was present as a lender at some of the biggest corporate disasters of the past few years, including the near-bankruptcy of the Ferruzzi group of companies. In addition, many of the bank's business clients have suffered from the troubled economy in southern Italy, where unemployment rose to 21.3 percent in October, compared with 7.1 percent in the north.

The Trib Index

Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	151.73	-0.26	–0.17	+15.06
Regional Indexes				
Asia/Pacific	117.22	-0.90	–0.76	–12.69
Europe	161.42	-1.68	–1.03	+15.98
N. America	171.77	+1.58	+0.93	+33.90
S. America	128.79	+2.23	+1.76	+44.64
Industrial Indexes				
Capital goods	177.53	+0.53	+0.30	+33.60
Consumer goods	165.25	+0.10	+0.06	+19.69
Energy	176.76	-0.62	–0.35	+30.33
Finance	113.24	-1.23	–1.07	–11.00
Miscellaneous	166.53	+0.44	+0.26	+22.62
Raw Materials	180.36	-0.39	–0.22	+27.19
Service	140.25	+0.46	+0.33	+16.88
Utilities	147.06	+0.26	+0.18	+15.67

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Friday, Jan. 17
Prices in local currencies.
Telekurs

Amsterdam
EOE index: 670.08 — Previous: 669.55

	High	Low	Close	Prev.
ABN-AMRO	119.20	117	117.50	118.40
Aegon	115.10	113.20	114.90	113.20
Ahold	109.80	107.70	109.50	107.50
Akzo Nobel	248	245.30	246.90	246.80
Baan Co.	77.90	76.70	76.70	81.20
Bols Wess cva	32.30	31.80	32.20	31.90
CSM cva	98.50	97.40	99.20	97.20
Dordtsche Pet	334	332	332.40	331.60
DSM	170.60	169.30	169.40	170
Elsevier	28.20	27.70	27.90	27.90
Fortis Amev	67.40	66	66.60	66.10
Getronics	56.60	53.50	53.80	55.30
G-Broc cva	60	58	59.20	57.50
Hagemeyer	150	147.20	148.20	148.20
Heineken	302.50	298.30	300.50	302.20
Hoogovens cva	70.50	69.30	69.80	70.20
Hunt Douglas	127.50	125.70	127.20	125.50
ING Group	69.90	68.40	68.70	69
KLM	48.20	47.70	48.10	48
KNP BT	37.70	37.10	37.60	37.30
KPN	65.10	64.30	64.70	65
Nedlloyd Gp	54.20	54.10	54.78	54.90
Nutricia	268.50	265.20	266.80	265.10
Oce Grinten	197.90	196	196.60	197.90
Philips Elec	77.70	76.60	77.20	77.40
Polygram	82.80	80.70	81.40	81.80
Randstad Hdg	136	133.50	134.20	135
Robeco	150	149.20	150	148
Rodamco	51.90	50.80	51.40	50.70
Rolinco	156.80	156.30	156.30	155.80
Rorento	107.70	107.50	107.50	107.10
Royal Dutch	314.20	312.50	313.90	312.80
Unilever cva	311.90	309.40	310.40	310.70
Vendex Intl	80.10	78.60	79.30	79.90
VNU	38	37.40	37.80	37.70
Wolters Kl cva	229.50	224.10	226.50	226.50

Bangkok
SET index: 822.55 — Previous: 822.57

	High	Low	Close	Prev.
Adv Info Svc	238	222	234	232
Bangkok Bk F	262	258	262	256
Krung Thai Bk	53.50	51.50	53	52
PTT Explor	390	384	388	384
Siam Cement F	884	876	880	880
Siam Com Bk F	191	181	183	190
Telecomasia	52.50	51	52	51.50
Thai Airways	39	37.50	39	37.25
Thai Farm Bk F	180	176	178	176
Utd Comm	176	172	175	173

Bombay
Sensex 30 index: 3422.35 — Previous: 3455.86

	High	Low	Close	Prev.
Bajaj Auto	940	886	921.75	930.25
Hindust Lever	880	869	874	868.75
Hindust Petlm	360	340	347	360
Ind Dev Bk	105	95	105	101
ITC	399	370	395	399.75
Mahanagar Tel	243.50	228	234	246.25
Reliance Ind	246	232	238.75	235
State Bk India	283	263.75	278	269
Steel Authority	23.50	21	22	23
Tata Eng Loco	352	333.50	337	345

Brussels
BEL-20 index: 2006.79 — Previous: 1998.56

	High	Low	Close	Prev.
Almanij	11950	11300	11600	11200
Barco Ind	5420	5370	5400	5410
BBL	7040	6950	6950	7010
Bekaert	19500	18700	18700	18750
CBR	3345	3290	3315	3265
CNP	2020	2010	2020	2010
Cobepa	1234	1230	1232	1232
Cockerill	118	116	118	116
Colruyt	13900	13625	13700	13650
Delhaize Lion	2070	2050	2065	2050
Electrabel	7810	7778	7780	7770
Electrafina	3110	3080	3110	3090
Fortis AG	5600	5550	5600	5530
Gevaert	2370	2250	2290	2270
GIB	1515	1505	1515	1510
GBL	4380	4340	4375	4350
Gen Banque	11900	11725	11850	11775
Kredietbank	10875	10700	10825	10775
Petrofina	11250	11050	11150	11075
Powerfin	4780	4730	4780	4725
Royale Belge	7040	6950	6980	7000
Soc Gen Belg	2530	2520	2525	2520
Solvay	22400	22275	22350	22200
Tractebel	14675	14600	14675	14650
UCB	90600	89900	90500	89900
Union Miniere	2370	2270	2300	2340

Copenhagen
Stock index: 506.94 — Previous: 507.99

	High	Low	Close	Prev.
BG Bank	312	300	300	305
Carlsberg B	403	395	396	400
Codan Fors	855	850	850	850
Danisco	373	365	372	368
Den Danske Bk	509	494	498	507
D/S Svendborg B	258000	252500	257666	257000
D/S 1912 B	180000	174500	175000	179000
FLS Ind B	871	850	855	840
Kob Lufthavne	700	675	680	679
Novo Nordisk B	565	552	550	565
Sophus Ber B	778	770	772	775
Tele Danmark B	342	332	337	340
Tryg Baltica	331	319	325	325
Unidanmark A	370	358	358	367

Frankfurt
DAX: 3001.37 — Previous: 2993.31

	High	Low	Close	Prev.
AMB B	995	993	995	995
Adidas	149.50	146.50	148.50	146
Allianz Hdg	2844	2825	2832	2810
Altana	1326	1315	1323	1313.50
Bk Berlin	31.80	31.05	31.40	30.95
BASF	60.08	59.05	59.40	59.60
Bayer Hypo Bk	51.10	50.55	50.85	49.60
Bay.Vereinsbank	61.60	61.35	61.40	61.15
Bayer	62.50	61.60	61.85	62.20
Beiersdorf	84.80	84.40	84.50	83.10
BMW	1106	1093	1099	1086
Commerzbank	43.98	43.77	43.81	43.45
Daimler Benz	118.40	116.60	116.95	115.60
Degussa	718	704	706	717.50
Deutsche Bank	79.17	78.80	78.88	78.47
Deut Telekom	31.13	30.95	31.12	30.75
Dresdner Bank	52.20	51.50	52.10	51.15
Fresenius	321	316.50	316.50	321
Fresenius Med	145.30	144	144.90	141.50
Fried. Krupp	249.50	245.50	246	247.50
Gehe	109.90	108.50	109.10	109.90
Heidelbg Zmt	134	132	134	129
Henkel pfd	87.28	86.30	86.35	86.10
Hochtief	64.50	63.10	63.10	64
Hoechst	69.85	68.20	68.50	69.58
Karstadt	484	480.50	482.50	487
Linde	1060	1038	1042	1053
Lufthansa	22.18	22.02	22.18	21.93
MAN	412.50	407.20	412	405
Mannesmann	654.50	645	646.50	654.50
Metallgesellschaft	33.99	32.80	33.99	33.21
Metro	122.50	120.60	121.50	122.50
Munich Rueck R	3714	3690	3700	3690
Preussag	390	389	389.50	388.60
RWE	69.10	68.65	68.75	68.80
SAP pfd	232.80	227	232.30	225.80
Schering	139.90	138.60	138.95	138.90
Siemens	77.50	76.95	77.10	77.45
Thyssen	288.70	285	287.50	284
Veba	94.90	94.55	94.60	94.80
VEW	513.50	509	512.50	506.50
Viag	661	651	657	664
Volkswagen	723	717.50	719	720

Helsinki
HEX General index: 2704.78 — Previous: 2707.93

	High	Low	Close	Prev.
Cultor 1	260	246.10	249.50	249.50
Enso A	38.70	38.10	38.10	38.30
Huhtamaki I	219	216.50	217	217.10
Kemira	58	55	55.30	55
Kesko	70	67.50	67.80	68
Merita A	17	16.10	16.50	16.10
Metra B	290	281	283	285
Metso-Serla B	37	35.50	35.50	37
Neste	125	120	120	124
Nokia A	308	304.50	307	307
Orion-Yhtymae	177	174.50	176	174.50
Outokumpu A	82	80.90	81	80.50
Rautaruukki	46	45.50	46	46.30
Sampo Insur	395	383	389	388
UPM-Kymmene	101.90	99.40	99.90	100
Valmet	83.10	80.80	82	88

Hong Kong
Hang Seng: 13856.48 — Previous: 13830.68

	High	Low	Close	Prev.
Amoy Props	10.90	10.70	10.75	10.75
Bk East Asia	37.40	36.90	37.20	36.90
Cathay Pacific	12.10	12	12.05	12
Cheung Kong	77.25	75.50	76	74
CK Infrastruct	23.30	22.25	22.80	23.10
China Light	34.30	33.90	34	34.20
China Overs Ld	4.15	4	4.05	4.05
China Res Ent	17.70	16.95	17.10	17.65
Chin Estates	8.75	8.40	8.40	8.60
Citic Pacific	42	40.40	40.50	41.80
Cons Elec Pwr	N.T.	N.T.	N.T.	18.25
Cosco Pacific	9.05	8.70	8.85	8.80
Dao Heng Bk	42.80	42	42.20	42.40
First Pacific	11.15	10.80	10.90	10.80
Great Eagle	35.70	35.30	35.50	35.10
Guangdong Inv	7.50	7.10	7.20	7.25
Guoco Group	49.30	48.50	48.90	48.90
Hang Lung Dev	16.95	16.50	16.80	16.50
Hang Seng Bk	96.50	94.75	95.50	94.50
Henderson Inv	9.40	9.25	9.35	9.35
Henderson Ld	76.50	75.25	75.75	75.50
HKR Intl	13.30	12.95	13	13.30
HK China Gas	15.20	14.90	14.95	15.20
HK Electric	27.30	27.15	27.20	27.30
HK Shang Htls	15	14.80	14.80	14.80
HK Telecomm	13.60	13.35	13.45	13.35
Hopewell Hdgs	4.88	4.78	4.80	4.85
HSBC Hdgs	184.50	181.50	183	181
Hutchison Wh	62	61	61.50	61.25
Hysan Dev	29.55	28.80	29.20	29.15
Johnson El Hdg	23	21.95	22.75	21.95
Kerry Props	20	19.75	19.85	20.20
Natl Mutual	7.65	7.40	7.45	7.65
New World Dev	53.75	52.25	53	53
N World Infrastr	23.65	23	23.50	22.95
Oriental Press	3.48	3.43	3.48	3.43
Pearl Oriental	5.10	5	5.10	5.10
Shanghai Indus	28.25	27.80	28.25	28.20
Shangri-La Asia	11.85	11.65	11.70	11.80
SHK Props	95.75	93	93.75	95.25
Shun Tak Hdgs	5.45	5.35	5.45	5.30
Sino Land Co.	9.45	9.15	9.30	9.40
Sth China Post	6.50	6.40	6.45	6.40
Swire Pac A	73	71.75	71.75	72
Tsim Sha Tsui	18.95	18.70	18.90	18.65
TV Broadcasts	32.90	32.30	32.50	32.20
Wharf Hdgs	39.50	38.90	38.90	39
Wheelock	23.20	22.40	23.10	22.40

Jakarta
Composite index: 663.97 — Previous: 658.78

	High	Low	Close	Prev.
Astra Intl	6200	6100	6150	6150
Bk Intl Indon	1875	1800	1875	1800
Bk Negara	1475	1375	1400	1425
Gudang Garm	11750	11375	11750	11375
Indocement	3575	3550	3575	3525
Indofood	4900	4825	4875	4800
Indosat	7025	6975	7025	6975
Sampoerna HM	14075	13650	14075	13650
Semen Gresik	7325	7150	7175	7325
Telekomunikasi	4075	3975	4000	4000

Johannesburg
All Market: 6782.86 — Previous: 6779.98

	High	Low	Close	Prev.
Amalgamtd Bks	25.25	24.95	25.25	24.95
AngloAm Coal	337.75	337.75	337.75	337.75
AngloAm Corp	258.50	257.50	258.25	258.25
AngloAm Gold	345	341.50	345	343
AngloAm Ind	168.25	167	168.25	168
Barlow	48.60	48	48.30	48.40
C.G. Smith	25.50	24.85	25.25	25.40
De Beers	135.25	134.50	135	135.50
Driefontein	44.30	43.40	43.50	44
Fst Natl Bk	25.10	24.40	24.85	24
Gencor	20	19.20	19.25	19.10
GFSA	117.50	117	117	119
Iscor	3.71	3.64	3.66	3.71
Liberty Hdgs	324	322.75	324	323.50
Liberty Life	119.50	118.75	119	120
Minorco	104.50	103.75	104	103.75
Nampak	18.70	18.45	18.50	18.95
Nedcor	69	68.50	69	69
Rembrandt Gp	42.68	42	42.60	42.25
Richemont	64.25	65.50	66	66
Rust Platinum	63	62	62	62
SA Breweries	125.75	125	125.50	125.50
Samancor	51.25	50.75	51	51.25
Sasol	55.75	55.25	55.50	55.50
SBIC	184.25	183	183.50	184.50
Tiger Oats	68	67.25	68	67

Kuala Lumpur
Composite: 1224.55 — Previous: 1214.42

	High	Low	Close	Prev.
Genting	16.90	16.60	16.70	16.80
Mal Banking	26.75	25.75	26	25.75
Mal Intl Ship F	7.05	6.95	7	7.10
Petronas Gas	10	9.90	9.95	9.90
Renong	4.68	4.54	4.60	4.64
Resorts World	12.40	11.90	11.90	12
Sime Darby	9.70	9.40	9.55	9.65
Telekom Mal	20.50	20.20	20.30	20.60
Tenaga	12.70	12.50	12.70	12.50
Utd Engineers	23	22	22.90	22.10

London
FT-SE 100: 4207.70 — Previous: 4197.50

	High	Low	Close	Prev.
Abbey Natl	7.92	7.76	7.79	7.83
Allied Domecq	4.18	4.07	4.13	4.18
Anglian Water	6.20	6.13	6.18	6.16
Argos	6.45	6.31	6.35	6.34
Asda Group	1.27	1.25	1.27	1.27
Assoc Br Foods	4.93	4.84	4.86	4.91
BAA	5.26	5.13	5.25	5.24
Barclays	11.15	11.05	11.11	11.12
Bass	8.59	8.46	8.50	8.49
BAT Ind	5.04	4.95	4.96	5.03
Bank Scotland	3.42	3.30	3.33	3.30
Blue Circle	3.96	3.89	3.92	3.83
BOC Group	9.05	8.93	8.97	9.04
Boots	6.52	6.40	6.48	6.38
BPB Ind	3.64	3.56	3.63	3.58
Brit Aerosp	13	12.87	12.96	12.95
Brit Airways	5.95	5.85	5.92	5.94
Brit Gas	2.30	2.23	2.30	2.24
Brit Land	5.39	5.34	5.37	5.37
Brit Petm	7.15	7.09	7.14	7.14
BSkyB	5.60	5.58	5.59	5.32
Brit Steel	1.52	1.48	1.49	1.51
Brit Telecom	4.21	4.16	4.18	4.17
BTR	2.54	2.49	2.51	2.52
Burmah Castrol	10.80	10.63	10.71	10.77
Burton Gp	1.58	1.56	1.57	1.57
Cable Wireless	4.91	4.75	4.87	4.80
Cadbury Schw	4.80	4.75	4.77	4.77
Carlton Comm	5.30	5.12	5.22	5.14
Coml Union	7.37	7.17	7.27	7.30
Compass Gp	6.70	6.50	6.60	6.45
Courtaulds	3.89	3.78	3.80	3.79
Dixons	5.27	5.17	5.19	5.20
Electrocomponents	4.55	4.51	4.53	4.52
EMI Group	12.65	12.32	12.41	12.60
Enterprise Oil	6.36	6.22	6.25	6.36
Fam Colonial	1.53	1.51	1.52	1.53
Gen Accident	8.30	8.20	8.25	8.19
GEC	4.07	4	4.02	4.09
GKN	9.92	9.63	9.82	9.70
Glaxo Wellcome	9.44	9.25	9.41	9.38
Granada Gp	8.68	8.27	8.59	8.60
Grand Met	4.40	4.15	4.32	4.36
GRE	2.89	2.82	2.87	2.83
Greenalls Gp	5.77	5.70	5.77	5.77
Guinness	4.39	4.10	4.32	4.36
GUS	6.30	6.12	6.28	6.13
Hanson	1.08	0.89	0.91	0.89
Hays	5.55	5.50	5.55	5.49
HSBC Hldgs	14.40	14.10	14.34	14.04
ICI	7.42	7.21	7.38	7.43
Impl Tobacco	4.50	3.90	3.95	3.93
Kingfisher	6.70	6.59	6.62	6.62
Ladbroke	2.45	2.40	2.43	2.44
Land Sec	7.93	7.86	7.91	7.92
Lasmo	2.52	2.43	2.45	2.51
Legal Genl Grp	3.99	3.95	3.99	3.98
Lloyds TSB Gp	4.78	4.68	4.69	4.72
LucasVarity	2.21	2.13	2.16	2.20
Marks Spencer	5.02	4.78	4.98	4.98
MEPC	4.69	4.58	4.66	4.65
Mercury Asset	12.65	12.54	12.63	12.51
National Grid	2.14	2.09	2.11	2.09
Natl Power	5.13	5.05	5.10	5.06
NatWest	7.94	7.81	7.87	7.82
Next	5.73	5.57	5.70	5.66
Orange	1.92	1.89	1.92	1.92
P&O	6.48	6.19	6.35	6.41
Pearson	7.97	7.75	7.79	7.82
Pilkington	1.50	1.45	1.48	1.47
PowerGen	6.36	6.23	6.27	6.22
Premier Farnell	7.04	6.95	6.98	7
Prudential	5.50	5.44	5.48	5.42
Railtrack PP	4.12	3.97	4.06	4.13
Rank Group	4.30	4.16	4.18	4.28
Reckitt Colm	7.04	6.97	6.97	6.99
Redland	3.52	3.31	3.47	3.51
Reed Intl	10.31	10.15	10.15	10.23
Rentokil Initial	4.39	4.30	4.34	4.37
Reuters Hldgs	6.82	6.71	6.79	6.72
Rexam	3.52	3.38	3.45	3.41
RMC Group	9.57	9.32	9.42	9.37
Rolls Royce	2.36	2.29	2.35	2.28
Royal Bk Scot	6.02	5.85	5.86	5.88
RTZ reg	9.15	9.07	9.14	9.07
Royal & Sun All	4.76	4.66	4.72	4.68
Safeway	4.19	4.14	4.17	4.17
Sainsbury	3.98	3.69	3.95	3.90
Schroders	16.70	16.42	16.66	16.50
Scot Newcastle	6.94	6.74	6.88	6.77
Scot Power	3.68	3.57	3.61	3.62
Securicor	2.78	2.75	2.76	2.78
Severn Trent	6.91	6.13	6.86	6.86
Shell Transp R	10.35	10.27	10.30	10.31
Siebe	9.90	9.78	9.84	9.89
Smith Nephew	1.80	1.76	1.80	1.77
SmithKline	8.14	7.95	8.13	8
Smiths Ind	7.67	7.60	7.60	7.64
Sthern Elec	8	7.82	7.96	7.87
Stagecoach	7.60	7.54	7.55	7.57
Stand Charter	7.70	7.50	7.51	7.55
Tate & Lyle	4.73	4.65	4.71	4.67
Tesco	3.69	3.63	3.67	3.64
Thames Water	6.20	6.07	6.16	6.07
3i Group	5.28	5.09	5.25	4.96
TI Group	5.52	5.44	5.46	5.50
Tomkins	2.81	2.76	2.79	2.77
Unilever	14	13.92	13.98	13.99
Utd Assurance	5.28	5.15	5.28	5.21
Utd News	6.93	6.76	6.83	6.75
Utd Utilities	6.73	6.63	6.67	6.64
Vendome Lx uts	5.11	5.05	5.09	5.08
Vodafone	2.60	2.53	2.55	2.60
Whitbread	7.77	7.61	7.72	7.62
Williams Hdgs	3.28	3.20	3.26	3.28
Wolseley	4.75	4.61	4.74	4.60
WPP Group	2.43	2.38	2.41	2.40
Zeneca	16.63	16.43	16.54	16.58

Madrid
Bolsa index: 474.75 — Previous: 467.32

	High	Low	Close	Prev.
Acerinox	18400	18160	18300	18270
ACESA	1805	1780	1800	1790
Aguas Barcelon	5980	5800	5920	5780
Argentaria	5800	5700	5790	5730
BBV	7710	7450	7710	7410
Banesto	1120	1095	1105	1100
Bankinter	19650	19020	19490	19010
Bco Centro Hisp	3480	3440	3480	3485
Bco Exterior	2750	2750	2750	2750
Bco Popular	27480	26650	27470	26650
Bco Santander	8340	8220	8310	8310
CEPSA	4700	4245	4530	4250
Continente	2720	2605	2670	2625
Corp Mapfre	8490	8100	8410	8190
Endesa	10250	10010	10240	10100
FECSA	1320	1285	1320	1285
Gas Natural	34250	33310	34160	33850
Iberdrola	1715	1690	1700	1700
Pryca	2650	2560	2635	2565
Repsol	5920	5750	5880	5760
Sevillana Elec	1410	1365	1400	1375
Tabacalera	6460	6300	6440	6320
Telefonica	3380	3310	3375	3315
Union Fenosa	1250	1230	1250	1240
Valenc Cement	1430	1405	1430	1420

Manila
PSE index: 3294.31 — Previous: 3298.19

	High	Low	Close	Prev.
Ayala B	30	30	30	30
Ayala Land	31.50	30.50	31.50	31.50
Bk Philip Isl	169	167	169	169
C&P Homes	15	14.75	14.75	14.75
Manila Elec A	126	120	123	125
Metro Bank	675	670	675	675
Petron	10	9.80	9.80	9.90
PCIBank	340	335	340	337.50
Phil Long Dist	1575	1540	1575	1540
San Miguel B	109	105	105	109
SM Prime Hdg	7.20	7.10	7.10	7.10

Mexico
Bolsa index: 3733.16 — Previous: 3701.83

	High	Low	Close	Prev.
Alfa A	41.60	40.30	41.60	40.50
Banacci B	17.32	16.90	16.98	17.30
Cemex CPO	30.60	30.00	30.50	30.45
Cifra C	11.02	10.68	11.02	10.68
Emp Moderna	42.50	41.95	42.50	41.80
Gpo Carso A1	49.80	48.60	49.40	48.60
Gpo Fin Inburso	29.10	28.70	28.70	29.10
Kimb Clark Mex	171.30	169.00	169.00	171.20
Televisa CPO	109.00	107.00	107.00	107.30
TelMex L	15.16	15.00	15.00	15.04

Milan
MIB Telematico: 12304.00 — Previous: 12073.00

	High	Low	Close	Prev.
Alleanza Assic	12500	12210	12500	12355
Bca Comm Ital	3250	3170	3230	3210
Bca Fideuram	4225	4075	4225	4190
Bca di Roma	1302	1260	1275	1299
Benetton	20550	20000	20350	19900
Credito Italiano	2075	2025	2065	2054
Edison	10900	10500	10900	10720
ENI	9095	8870	9070	9030
Fiat	5200	5080	5200	5160
Generali Assic	32100	31680	32000	31750
IMI	15700	15360	15700	15625
INA	2185	2140	2185	2150
Italgas	7100	6835	7015	7025
Mediaset	7890	7560	7890	7710
Mediobanca	10560	10210	10480	10400
Montedison	1284	1259	1284	1270
Parmalat	2700	2630	2700	2660
Pirelli	3320	3210	3320	3190
RAS	15590	15150	15590	15320
Rolo Banca	16140	15710	16120	15885
S Paolo Torino	10440	10250	10310	10445
Stet	7950	7620	7855	7600
Telecom Italia	4910	4715	4825	4665
TIM	4885	4525	4870	4530

Montreal
Industrials index: 2952.81 — Previous: 2945.34

	High	Low	Close	Prev.
Bce Mob Com	43	43	43	42¾
Cdn Tire A	23	22.85	23	22.85
Cdn Util A	32	31.60	32	31½
CT Finl Svc	31.70	31.70	31.70	31¾
Gaz Metro	17.40	17.20	17.20	17.35
Gt-West Lifeco	21	20¾	20¾	21
Hees Intl Bcp	0000	0000	0000	0000
Imasco	35½	34.85	35½	34.40
Investors Grp	26¼	25½	25.85	26¼
Loblaw Cos	15.35	15.20	15.30	15.30
Natl Bk Canada	14.10	13.90	13.95	13¾
Power Corp	28¾	28.30	28.45	28½
Power Finl	26¾	26.10	26.40	26¼
Quebecor B	26	25.60	26	25.65
Rogers Comm B	10.15	10	10.10	10.10
Royal Bk Cda	51.05	50.40	50.90	50.40

Oslo
OBX index: 564.87 — Previous: 544.90

	High	Low	Close	Prev.
Aker A	158.50	155	156.50	157.50
Bergesen Dy A	155.50	145	145	145.50
Christiania Bk	23	22.60	22.80	23
Den norske Bk	26.30	22.80	25.90	26.30
Elkem	103	98	101	103.50
Hafslund A	48	47.60	48	48
Kvaerner Asa	305	295	299	308.50
Norsk Hydro	365.50	361	363	364.50
Norske Skog A	199	193	194	197
Nycomed A	112	105	112	105
Orkla Asa A	504	490	504	489
Petm GeoSvc	270	265	270	272.50
Saga Petm A	121	118.50	119.50	121
Schibsted	134	133	134	134
Transocean Off	445	435	445	450
Storebrand Asa	36.50	36.20	36.50	36.30

Paris
CAC-40: 2425.10 — Previous: 2407.77

	High	Low	Close	Prev.
Accor	655	648	651	654
AGF	169.90	166.30	169.10	169
Air Liquide	871	850	871	860
Alcatel Alsth	441.60	430.30	441	432
Axa	350	341.50	350	347.50
Bancaire	688	661	686	660
BIC	838	825	830	840
BNP	200	196	196	199.80
Canal Plus	1218	1165	1216	1140
Carrefour	3380	3336	3350	3384
Casino	244.50	239.20	240	240
CCF	238.90	235.20	237	236.80
Cetelem	660	630	650	642
Christian Dior	944	912	924	875
CLF-Dexia Fran	502	495.50	500	503
Credit Agricole	1270	1255	1255	1295
Danone	801	791	793	795
Elf-Aquitaine	512	496.50	510	502
Eridania BS	849	838	849	843
Eurotunnel	6.95	6.85	6.90	6.95
Gen. Eaux	718	709	711	715
Havas	400.50	394	400	400.80
Imetal	795	786	789	795
Lafarge	322.50	316.60	321.30	318.50
Legrand	915	900	911	914
L'Oreal	1972	1941	1972	1953
LVMH	1584	1541	1551	1502
Lyon. Eaux	534	516	534	519
Michelin B	290.90	288	290.20	292
Paribas A	378.30	368	377.80	367.50
Pernod Ricard	310	298.60	307.80	299.10
Peugeot Cit	564	557	560	560
Pinault-Print	2419	2288	2340	2278
Promodes	1499	1460	1492	1473
Renault	116.90	112.60	114	115.10
Rexel	1710	1680	1697	1695
Rh-Poulenc A	176.50	172.30	174.30	176.50
Roussel-Uclaf	1528	1526	1526	1527
Sanofi	546	532	540	542
Schneider	255	250.10	251.70	255.70
SEB	1125	1100	1103	1101
SGS Thomson	436	427.10	430	425.70
Ste Generale	557	548	553	558
Sodexho	2908	2815	2840	2895
St Gobain	803	788	797	795
Suez	220	217.10	218.10	217.30
Synthelabo	551	544	545	551
Thomson CSF	172.90	169.10	172	169
Total B	451.50	444	447	447.50
UAP	140.50	138	140.50	140.50
Usinor	78	77	77.60	77.90
Valeo	365	359.10	362	363

São Paulo
Bovespa index: 77523.80 — Previous: 76558.28

	High	Low	Close	Prev.
Bradesco Pfd	8.62	8.35	8.60	8.77
Brahma Pfd	640.00	625.00	625.00	630.00
Cemig Pfd	43.80	41.80	43.20	43.30
CESP Pfd	50.90	49.70	49.80	50.50
Copel	13.65	13.10	13.60	13.10
Eletrobras	410.00	395.00	410.00	400.00
Itaubanco Pfd	452.00	450.00	452.00	450.00
Light Servicios	360.00	355.10	355.10	360.00
Lightpar	289.00	276.99	289.00	279.99
Petrobras Pfd	194.00	187.00	194.00	186.50
Telebras Pfd	90.00	87.10	89.90	87.40
Telemig	142.00	140.00	141.00	140.00
Telerj	155.00	151.50	151.50	154.00
Telesp Pfd	247.99	240.00	246.00	243.00
Unibanco	33.50	33.00	33.50	33.40
CVRD Pfd	24.80	24.00	24.60	24.00

Seoul
Composite index: 781.18 — Previous: 711.84

	High	Low	Close	Prev.
Dacom	105000	97000	105000	99000
Daewoo Heavy	5600	5310	5350	5500
Kia Motors	16000	14900	16000	16100
Korea El Pwr	29300	27900	28600	28300
Korea Exch Bk	9390	9030	9150	9400
Korea Mob Tel	530000	511000	523000	530000
LG Semicon	19600	19100	19200	19500
Pohang Iron St	45000	43000	43100	44400
Samsung Elec	48300	46100	46500	48300
Shinhan Bank	12000	11700	11800	11900

Singapore
Straits Times: 2244.21 — Previous: 2220.36

	High	Low	Close	Prev.
Cerebos Pac	10.60	10.50	10.50	10.40
City Devlts	13.70	12.90	13.50	12.80
Cycle Carriage	17.20	16.90	17	16.90
Dairy Farm Intl*	0.83	0.81	0.83	0.81
DBS	9.05	9	9.05	9.05
DBS Land	5.55	5.35	5.50	5.30
Fraser & Neave	13.90	13.60	13.80	13.70
HK Land*	2.95	2.92	2.93	2.93
Hong Leong Fin	3.30	3.28	3.30	3.28
Jard Matheson*	6.25	6.15	6.20	6.15
Jard Strategic*	3.70	3.68	3.70	3.70
Keppel	11.60	11.10	11.60	11
Natsteel	3.54	3.30	3.48	3.32
Neptune Orient	1.23	1.19	1.23	1.20
OCBC foreign	19.10	18.40	19.10	18.30
OSea Union Bk	6.40	6.35	6.35	6.35
Sembawang	8	7.80	7.90	8
Sing Airlines F	13	12.70	13	12.90
Sing Petm	1.76	1.76	1.76	1.72
Sing Press F	28.90	28.10	28.90	28
ST Auto F	3.18	3.18	3.18	3.14
ST Ship	1.84	1.80	1.81	1.85
Sing Telecomm	3.24	3.18	3.18	3.18
Straits Steam	4.92	4.58	4.92	4.60
Utd Industrial	1.25	1.23	1.24	1.22
Utd OSea Bk F	17.10	16.50	16.90	16.40
Wing Tai Hdgs	4.26	4.10	4.26	4.10

*: in U.S. dollars.

Stockholm
SX 16 index: 2638.80 — Previous: 2628.28

	High	Low	Close	Prev.
AGA BF	107	105	107	107
ABB AF	840	823	829	822
AssiDoman F	186	183.50	183.50	185
Astra AF	331	325	330.50	330.50
Atlas Copco AF	171	168.50	169	170.50
Avesta F	76.50	74.50	75.50	76.50
Electrolux BF	413	406	410.50	409
Ericsson BF	237	234	236.50	235
Hennes BF	1070	1022	1050	1095
Incentive AF	515	505	505	513
Investor BF	325	317	322	316
Kinnevik BF	205	202	205	204
MoDo BF	200	194	196.50	198.50
Pharm/Upjohn	285.50	282	284	283.50
Sandvik BF	184	180	183	182
SCA BF	149	145.50	147.50	148.50
S-E Banken AF	68.50	67.50	68.50	68.50
Skandia Fors F	195.50	192.50	195.50	193.50
Skanska BF	306	300	303.50	305.50
SKF BF	158.50	157.50	158	157.50
SSAB BF	124	121.50	124	121
Stora AF	93.50	91.50	93.50	93.50
Sv Handles AF	187.50	185	187	187.50
Sydkraft AF	155	153	153	153
Trelleborg BF	110	107.50	108.50	109.50
Volvo BF	167.50	165	166.50	165

Sydney
All Ordinaries: 2435.50 — Previous: 2436.30

	High	Low	Close	Prev.
Amcor	8.46	8.36	8.45	8.30
ANZ Bking	7.90	7.82	7.82	7.87
BHP	18.97	18.62	18.73	18.82
Boral	3.45	3.42	3.45	3.42
Brambles Ind.	22.95	22.50	22.50	22.94
Burns Philp	2.17	2.10	2.15	2.18
CBA	12.57	12.41	12.56	12.40
CC Amatil	13.36	13.23	13.30	13.30
Coles Myer	5.10	5.02	5.04	5.10
Comalco	6.76	6.70	6.76	6.68
CRA Ltd	19.45	19.32	19.45	19.45
CSR	4.40	4.34	4.38	4.40
Fosters Brew	2.55	2.52	2.53	2.54
GIO Australia	3.38	3.27	3.38	3.28
Goodman Fld	1.61	1.58	1.59	1.61
ICI Australia	13.03	12.75	12.85	13.08
John Fairfax	2.80	2.79	2.81	2.79
Lend Lease	24.20	24.01	24.10	23.95
Mayne Nickless	8.10	7.97	7.99	8.08
MIM Hdgs	1.87	1.85	1.86	1.87
Nat Aust Bank	14.83	14.52	14.83	14.51
News Corp	6.88	6.74	6.78	6.87
Norm Ltd	3.99	3.92	3.97	3.97
Pacific Dunlop	3.10	3.08	3.10	3.09
Pioneer Intl	3.72	3.68	3.70	3.72
Placer Pacific	1.80	1.79	1.79	1.76
Santos	4.94	4.88	4.90	4.92
Southcorp	4.19	4.09	4.10	4.19
Wesfarmers	9.25	9.14	9.22	9.13
Wstrn Mining	8.42	8.28	8.32	8.34
Westfield Trt	2.36	2.34	2.36	2.35
Westpac Bking	7.20	7.13	7.15	7.19
Woodside Pet	9.41	9.34	9.35	9.39
Woolworths	3.10	3.06	3.08	3.09

Taipei
Stock Market index: 7173.42 — Previous: 7286.42

	High	Low	Close	Prev.
Asia Cement	51	50	50	50.50
Cathay Life Ins	179	177	177	177
Chang Hwa Bk	171	168	169	170
China Steel	26.10	25.70	25.70	25.90
China Trust	54	52.50	52.50	53.50
Evergreen	55	54	54	54.50
Far East Text	33.40	32.40	32.80	32.60
First Bank	179	175	176	177
Formosa CF	44.50	43.10	43.20	43.90
Hua Nan Bk	147.50	144	144	147
Hualon Teijran	25.20	24.80	24.80	24.80
ICBC	85	83.50	83.50	84
President Ent	45.90	44.80	44.80	45.70
Taiwan Cemt	60.50	59	60	60
Tatung	54.50	53.50	53.50	54

Tokyo
Nikkei 225: 18090.84 — Previous: 18144.34

	High	Low	Close	Prev.
Ajinomoto	1110	1070	1090	1100
All Nippon Air	780	761	768	766
Asahi Bank	854	828	833	879
Asahi Chem	636	625	628	629
Asahi Glass	1070	1040	1070	1050
Bk Tokyo Mitsu	1950	1910	1920	1950
Bk Yokohama	670	655	670	659
Bridgestone	2150	2090	2130	2090
Canon	2460	2420	2420	2450
Chiba Bank	750	740	741	744
Chubu Elec	2280	2230	2260	2250
Chugoku Elec	2230	2200	2200	2200
Daiei	819	804	810	804
Daiichi Kang	1420	1360	1360	1410
Daiwa Bank	533	515	515	535
Daiwa House	1420	1370	1410	1380
Daiwa Sec	1030	998	1020	998
Denso	2560	2480	2500	2530
Fanuc	3590	3530	3570	3590
Fuji Bank	1530	1460	1470	1520
Fuji Photo	3690	3530	3610	3660
Fujitsu	1130	1110	1120	1120
Hitachi	1060	1040	1050	1060
Honda Motor	3240	3170	3180	3270
IBJ	1800	1740	1740	1800
IHI	490	474	475	478
Itochu	546	536	541	547
Ito-Yokado	5770	5590	5720	5590
JAL	535	527	530	537
Jusco	3790	3700	3740	3760
Kajima	753	721	742	730
Kansai Elec	2330	2280	2320	2290
Kao	1290	1260	1260	1290
Kawa Steel	307	297	307	297
KDD	7630	7590	7600	7570
Kinki Nipp Ry	722	713	722	717
Kirin Brewery	1110	1070	1090	1070
Kobe Steel	228	218	221	228
Komatsu	839	825	826	836
Kubota	569	523	544	535
Kyocera	7310	7230	7280	7300
Kyushu Elec	2250	2210	2250	2230
LTCB	554	535	535	544
Marubeni	478	456	463	459
Marui	1790	1760	1780	1790
Matsu Elec Ind	1740	1720	1720	1730
Matsu Elec Wk	1040	1020	1020	1050
Mitsubishi	1100	1060	1090	1080
Mitsubishi Ch	353	345	345	350
Mitsubishi El	672	663	665	669
Mitsubishi Est	1220	1190	1200	1210
Mitsubishi Hvy	878	865	866	876
Mitsubishi Mat	898	889	896	892
Mitsubishi Tr	1440	1380	1380	1420
Mitsui	885	873	873	882
Mitsui Fudosn	1110	1080	1100	1120
Mitsui Trust	815	794	810	794
Murata Mfg	3840	3800	3800	3820
NEC	1420	1390	1390	1410
Nikko Sec	809	793	799	793
Nintendo	7710	7600	7600	7410
Nipp Credit Bk	253	247	251	255
Nipp Express	725	711	725	714
Nippon Oil	588	568	585	571
Nippon Paper	566	541	558	550
Nippon Steel	309	303	305	309
Nippon Yusen	508	498	503	504
Nissan Motor	704	680	701	681
NKK	261	254	258	255
Nomura Sec	1610	1570	1600	1570
NTT	8700a	8450a	8500a	8490a
Obayashi	739	712	712	730
Odakyu El Ry	658	640	641	645
Ono Pharm	3320	3230	3290	3200
Osaka Gas	305	300	300	305
Ricoh	1320	1270	1300	1270
Sakura Bk	739	705	715	710
Sankyo	3250	3110	3220	3100
Sanwa Bank	1540	1480	1480	1520
Sanyo Elec	455	440	440	458
Secom	6650	6620	6620	6730
Seibu Rwy	4380	4270	4320	4230
Sekisui House	1130	1100	1120	1110
Seven-Eleven	6760	6570	6690	6620
Sharp	1540	1500	1500	1550
Shimizu	781	763	763	785
Shin-etsu Ch	2120	2070	2110	2080
Shizuoka Bk	1120	1090	1100	1120
Sony	7720	7620	7660	7690
Sumitomo	935	922	925	926
Sumitomo Bk	1550	1460	1460	1520
Sumit Chem	440	430	439	440
Sumitomo Elec	1600	1580	1580	1580
Sumit Metal	281	266	277	270
Sumit Trust	959	934	934	952
Taisei	565	551	560	566
Taisho Pharm	2710	2640	2650	2720
Takeda Chem	2280	2240	2250	2250
TDK	7470	7400	7450	7420
Tohoku El Pwr	2270	2200	2240	2200
Tokai Bank	1010	970	990	1010
Tokio Marine	1030	1010	1020	1030
Tokyo El Pwr	2470	2420	2460	2420
Tokyo Gas	302	299	300	301
Tokyu	582	571	571	586
Tonen	1280	1230	1230	1240
Toppan Print	1400	1360	1370	1380
Toray Ind	718	703	703	715
Toshiba	714	698	705	707
Toyo Seikan	2850	2710	2810	2700
Toyo Trust	825	818	818	820
Toyota Motor	3260	3200	3220	3240
Yamaichi Sec	499	482	494	487
Yamanouchi	2310	2240	2250	2260
Yasuda Fire	549	525	549	539
Yasuda Trust	408	400	405	415

a: x 100

Toronto
TSE Industrials: 6138.80 — Previous: 6103.66

	High	Low	Close	Prev.
Abitibi Price	23.10	22.80	22.85	22.95
Alberta Energy	32.60	32.10	32½	32.55
Alcan Alum	49.60	49	49.10	49.40
Anderson Expl	20¼	18.90	19.80	18.90
Bk Montreal	45½	44.80	45.35	44¾
Bk Nova Scotia	46.65	46.20	46.65	46.15
Barrick Gold	37	35.90	36.85	35.80
BCE	69.30	68.80	68.80	68.90
BC Telecomm	29.90	29.60	29¾	29.60
Biochem Pharm	76¼	74.55	76¼	76¼
Bombardier B	25.40	25.10	25.40	25.10
Brascan A	31.20	31.10	31.15	31¼
Bre-x Minerals	24.85	24.15	24.40	24.70
Cameco	59¼	59.10	59¼	59.65
CIBC	59.65	59.05	59.05	58.90
Cdn Natl Rail	52½	52.10	52¼	52.20
Cdn Nat Res	39.80	39.40	39¾	39.60
Cdn Occid Pet	25.45	23.85	25.15	24.85
Cdn Pacific	36.45	35.65	36.15	35½
Cominco	38¼	38	38.10	38
Dofasco	26.15	25.95	25.95	26
Domtar	12.70	12.55	12.70	12.60
Donohue A	25.95	25¼	25¼	25¾
Du Pont Cda A	32	31	31	31½
Euro-Nev Mng	37.60	36.85	37	36.80
Fairfax Finl	298	295	298	295
Falconbridge	31½	31.30	31¼	31.20
Fletcher Chall A	22.30	22.15	22.30	22.20
Franco Nevada	59.30	56.15	59	59
Gulf Cda Res	12	11½	11.60	11.90
Imperial Oil	65.60	65.40	65.45	65.30
Inco	47	46.30	46¾	46.10
IPL Energy	40¼	39.80	39.80	40.10
Laidlaw B	18.45	18.15	18.30	18.15
Loewen Group	48.90	48.20	48.80	49
Macmill Bldl	18.90	18.60	18.60	18.55
Magna Intl A	77	76.30	76.65	76¾
Methanex	13½	13½	13½	13½
Moore	28.05	27.70	27.70	28
Newbridge Net	44.70	44	44½	43.95
Noranda Inc	32.70	32½	32.70	32.60
Norcen Energy	32.05	31.80	32	31.95
Nthern Telecom	97.10	95.70	96¾	95.85
Nova	13	12.90	12.90	12.95
Onex	23	22.95	23	22.95
Pancdn Petlm	55¾	55	55½	54¾
Petro Cda	21.90	21¾	21¾	21¾
Placer Dome	29½	29	29.15	28.95
Poco Petlm	14.35	14	14	14.35
Potash Sask	115¼	111¾	114.60	113.55
Renaissance	50	49¾	49¾	49.65
Rio Algom	32.85	32.40	32½	32.40
Rogers Cantel B	29½	28¾	29½	28½
Seagram Co	57.30	56.20	56.95	56.70
Shell Cda A	54	53.60	53¾	53.60
Stone Consold	21.20	21	21	21¼
Suncor	60¼	59	60.10	59.55
Talisman Eny	49¼	48.70	48.70	48.85
Teck B	32.45	31¾	32	31¾
Teleglobe	40.10	39.90	40	40
Telus	19.30	19.10	19¼	19.15
Thomson	29.40	29¼	29.30	29.35
TorDom Bank	37	36.55	36.70	36.45
Transalta	16¼	16.65	16.65	16.70
TransCda Pipe	24.10	23.90	24.10	23.90
Trimark Finl	43.20	42.80	43.10	42.80
Trizec Hahn	30.05	29½	29½	30
TVX Gold	10.70	10.35	10.55	10.65
Westcoast Eny	23¾	23½	23.60	23¼
Weston	74½	73	73¾	73½

Vienna
ATX index: 1167.89 — Previous: 1167.94

	High	Low	Close	Prev.
Aust Airlines	1700	1700	1640	1640
Brau-Un Goess	694	650	670	690
Bund Vers Pfd	405	405	490	490
Creditanst Pfd	435	417.95	424	417.95
EA-Generali	3205	2745	3060	3180
EVN	1747	1715	1728	1716.80
Interunfall	1490	1490	1475	1475
Lenzing	660	620	620	658
Leykam	273.95	271	273.50	273.80
Mayr-Melnhof	589	561	577	587
OMV	1369	1321	1346.50	1327
Oest Brau	800	780	786	790.05
Oest Elektriz	827.35	819.20	823.50	820
VA Tech	1780	1741	1741	1751
Wienerberger	2085	2057	2058	2070

Wellington
NZSE-40 index: 2429.56 — Previous: 2434.89

	High	Low	Close	Prev.
Air N Zeald B	2.82	2.78	2.78	2.81
Brierly Invt	1.37	1.36	1.37	1.36
Carter Holt ord	3.36	3.32	3.35	3.33
Fernz	5.05	5.02	5.05	5.15
Fisher Paykel	5.68	5.55	5.55	5.68
FC Forest	2.37	2.33	2.33	2.36
Goodman Fder	1.75	1.75	1.75	1.75
Indep News	6.96	6.95	6.95	6.95
Lion Nathan	3.66	3.60	3.65	3.63
Nat Gas note	2.37	2.33	2.37	2.37
NZ Refining	30.00	30.00	30.00	29.00
Telecom NZ	7.56	7.49	7.51	7.55
Wilson Horton	11.45	11.39	11.45	11.40

Zurich
SPI index: 2579.16 — Previous: 2568.85

	High	Low	Close	Prev.
Adecco B	373	367	368	369
Alusuisse R	1134	1120	1130	1126
Ares-Serono B	1465	1440	1465	1449
Baloise Hdg R	2815	2765	2800	2765
ABB B	1692	1682	1682	1688
BK Vision	729	723	728	729
Bobst B	1905	1885	1900	1900
CS Holdings R	140.75	138.50	140.25	137.75
Elektrowatt B	536	535	536	536
Fischer B	1450	1442	1450	1450
Hilti PC	949	919	945	933
Holderbank B	1033	1017	1025	1000
Jul. Baer Hdg B	1414	1403	1408	1408
Nestle R	1478	1470	1475	1468
Novartis R	1549	1537	1548	1548
Oerlikon R	137	135	135.25	136.50
Pargesa Hld B	1490	1480	1480	1489
PharmVisn B	638	631	634	637
Pirelli B	203	200	203	202
Roche Hdg PC	11050	10990	11050	10985
SBC R	250	248.50	249.75	249
Schindler B	1520	1470	1500	1510
SGS B	3250	3180	3180	3170
SMH B	952	909	952	902
Sulzer R	860	850	858	866
Swiss Reins R	1403	1391	1391	1398
Swissair R	1159	1135	1135	1140
UBS B	1166	1145	1149	1155
Valora Hdg R	284	279	284	278
Winterthur R	787	774	779	787
Zurich Assur R	371.50	366	366.50	369

NYSE

Friday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

A-B-C

Taipei Firm Abandons Hong Kong

Plastics Maker Cites Fear of China's Rule

Bloomberg News

TAIPEI — Part of Taiwan's biggest industrial concern will move the registration of its businesses in mainland China out of Hong Kong, saying the transfer of the territory from British to Chinese control set for July 1 could weaken its legal and tax systems.

The move announced Friday by Nan Ya Plastics Corp., a unit of Formosa Plastics Group, may speed such moves by other Taiwan companies, who are shifting registrations to areas such as the Caribbean to stay out of Beijing's reach.

"Who knows what will happen to the environment in Hong Kong after it's controlled by the mainland?" a company spokesman said.

The Taiwan government bans direct investment in China and requires companies to set up holding companies abroad for their China projects. Nevertheless, Taiwan companies have invested about $30 billion in China, making Taiwan the biggest overseas investor on the mainland.

But as many as 6,000 of the 30,000 Taiwan-owned holding companies in Hong Kong may move elsewhere by July 1, said Keye Wu, an accountant at the international law firm Baker & McKenzie in Taipei.

"More and more people are saying, Why take the risk?" " he said.

Lawrence Liu, an attorney with Lee & Li, one of Taiwan's biggest law firms, said some feared that the state could become more "interventionist," by demanding increased disclosure of company information, for example, or making moe business activities subject to government approval.

Taiwan companies also fear it could become more difficult to transfer profit to their Hong Kong holding companies, which pay no tax, Mr. Wu said.

Bad News Is No News for China Firms

By Philip Segal
Special to the Herald Tribune

HONG KONG — When the corporate news out of China is good, it is usually very good. But when it is bad, it is often just not reported.

As Hong Kong stocks — which rose 25.72 points Friday to a record 13,856.40 — were jumping Thursday in active trading, one lonely and formerly favored share stood out from the pack: Giordano International Ltd., a clothing retailer and manufacturer, which plunged 18 percent in a single day, to 5.05 Hong Kong dollars (65 cents), after falling 5.4 percent the day before.

Source: Bloomberg IHT

Not for the first time in the past year, this former darling of the Hong Kong and China consumer sector went into free fall amid an information vacuum and rumors that a promised joint venture related to China's government was on the rocks. Giordano shares were suspended from trading Friday pending a company announcement.

The fall in Giordano shares underlines the dual risk involved in doing business in China: Commercial acumen aside, connections on the mainland may go bad, and if they do, the company will take its time informing shareholders.

Last month, a similar shortage of information pummeled shares of CITIC Pacific Hong Kong Ltd., a conglomerate controlled by the Chinese cabinet and headed by Larry Yung, the son of China's vice president. When its mainland Chinese parent sold 15 percent of CITIC Pacific to Mr. Yung at a 24 percent discount, investors sent the stock down by 10 percent over more than two weeks before the company got around to announcing that Mr. Yung and other directors would hold their shares as a "long-term investment."

The stock rose 3 percent on the announcement, but some analysts have speculated that the sale of the stake by the parent company meant CITIC's valued connections in China were weakening.

In another case, a Chinese cable manufacturer, Chengdu Telecom Cable Co., waited four months last year before disclosing that a customer had returned defective cables with a value of several times the company's earnings the previous year. The news had a material effect on the company's results, but Chengdu was not even censured by the Hong Kong Stock Exchange for the delay in disclosure.

In Giordano's case, when the company in October told analysts it was close to concluding a joint venture related to the Ministry of Agriculture, many concluded that the company's recent political problems with China had been overcome and upgraded Giordano to a "buy."

But on Tuesday, when the Agriculture Ministry's China Agribusiness Development Trust was shut down because of what the central bank called "serious" illegalities, rumors began that Giordano's joint venture was in trouble.

Through it all, Giordano has kept a prolonged silence. "I have been trying to call the company over the last one or two months. I always got 'The key person is out of town,'" said Ye-Hsiang Lai, an analyst at CS First Boston.

Giordano has already had plenty of political problems in China. Its founder and former major stockholder, the newspaper and magazine publisher Jimmy Lai, is a noted advocate of democracy for Hong Kong. Once a virtually destitute refugee from China, he founded Giordano and made himself a millionaire. Today the company has more than 450 Asian outlets in 12 countries.

After establishing Giordano, Mr. Lai went into publishing and, in 1994, wrote a highly personal attack on Premier Li Peng of China in his Chinese-language magazine, Next.

Shortly after the article appeared, Giordano's Beijing store was closed because of what were termed "licensing" problems. It was reopened later the same year, and the stock soared anew. But in April 1996, a brokerage house leaked a report to the Hong Kong media that 25 of the company's stores in China had been closed over the previous two months, in addition to the closings of 11 stores in Shanghai that the company had already disclosed without explaining them. The Shanghai stores are still closed.

Mr. Lai appears to have removed himself from the day-to-day operation of Giordano and has sold all his shares in the company. But many of the people still running it were hired and trained by Mr. Lai, and that may be what is upsetting officials in China.

His privately held Hong Kong tabloid, Apple Daily, broke even in June 1996, according to an analyst's estimate, and has moved into the No. 2 position in the Hong Kong market in less than two years. The paper, however, still has a page or so of regular pro-democracy commentary, so what government advertising it now has can be expected to disappear once China takes control.

Beijing Tries Again to Cut Domestic B-Share Holdings

Reuters

SHANGHAI — Securities authorities are trying again to remove domestic investors from the market for so-called B shares that is aimed at foreign investors, but brokers said Friday the drive had little chance of success.

The push came as Deputy Prime Minister Zhu Rongji warned bankers of severe punishment if they diverted funds to the market.

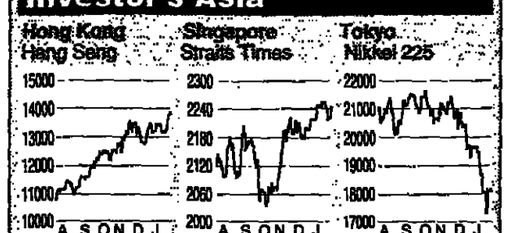
"We will vigorously seek to uncover any use of funds that are not in company accounts or the use of bank credits for stock-market speculation," the economic policymaker was quoted Friday as saying at a banking conference the previous day. Financial News, a daily published by the central bank, blamed speculation by institutional investors for the big rise last year in stock prices, especially on the B-share market in Shenzhen.

Brokerage firms in Shanghai and Shenzhen began reregistering accounts this week to weed out Chinese nationals holding B shares. Domestic investors with B-share accounts must find a foreigner or a citizen with a right of residence abroad to certify that the local person is entrusted to trade B shares, brokers said. Those who do so can still trade B shares in their own names, they said, but all others will be barred as of April 1 from buying the shares.

"This is nothing more than a compromise," a Shanghai broker said. "The overwhelming majority of domestic investors will be able to find a trustee." Brokers estimate that domestic investors now account for at least half of the trading in B shares, whose prices are generally much lower than those of the A shares aimed at domestic investors.

"The China Securities Regulatory Commission has the tools if they want to really shut down every local B-share investor," said Bruce Richardson of HG Asia in Shanghai, "but I don't think they'll do it."

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,856.40	13,838.66	+0.13
Singapore	Straits Times	2,244.21	2,220.36	+1.07
Sydney	All Ordinaries	2,435.50	2,436.30	-0.03
Tokyo	Nikkei 225	18,890.04	18,144.34	+0.98
Kuala Lumpur	Composite	1,224.55	1,214.42	+0.83
Bangkok	SET	832.55	822.57	+1.21
Seoul	Composite Index	701.18	711.86	-1.50
Taipei	Stock Market Index	7,175.42	7,206.42	-0.43
Manila	PSE	3,294.31	3,290.19	+0.13
Jakarta	Composite Index	663.97	658.70	+0.80
Wellington	NZSE-40	2,429.56	2,434.88	-0.22
Bombay	Sensitive Index	3,422.35	3,455.88	-0.97

Source: Telekurs International Herald Tribune

Very briefly:

• **Sony Display Device (Singapore) Pte.** said sales from its picture-tube plant would reach 600 million Singapore dollars ($427.4 million) in the year ending in March, compared with 550 million dollars the previous year. Executives of **Sony Corp.**, meanwhile, predicted that the parent company's move into multimedia products such as Web televisions would generate a huge profit.

• **Kokusai Denshin Denwa Ltd.** said it was close to an agreement with **AT&T Corp.** that would substantially cut rates the Japanese telephone phone company charged to complete calls to Japan from the United States.

• **Commonwealth Bank of Australia** said it was confident of being repaid funds, believed to be millions of dollars, it had loaned to **China Agribusiness Development Trust & Investment Corp.**, which went into bankruptcy last week.

• **Founder Ltd.**, China's largest publishing-software concern, said an agreement with **International Business Machines Corp.** to break into the Japanese publishing market would raise profit this year.

• **Anheuser-Busch Cos.** said sales of its Budweiser beer were growing at a double-digit pace in China, its fifth-largest market, but that it was still years away from making a profit there.

• **Vietnam** withdrew a license for **ETI**, a subsidiary of **Oger International SA** of France, to build a $264 million hotel and vacation complex near Ho Chi Minh City.

• **Placer Dome Inc.** rejected **Highlands Gold Ltd.**'s proposal to stave off a takeover attempt by selling Placer its 25 percent stake in the Porgera gold mine in Papua New Guinea and putting its remaining assets into a new company to be called Highlands Pacific Ltd. *Reuters, AP, AFP, Bloomberg*

CHAEBOL: *Can Seoul Rein In Its Big Corporations Without Stifling Economy?*

Continued from Page 9

cross-holdings is 25 percent, meaning that a company can invest no more than a total of 25 percent of its assets in all the other companies within the same group.

Like the limit on debt guarantees, however, that provision has little practical significance. Hyundai Corp. and Samsung Co., for example, the two largest chaebol in terms of both assets and sales, are so big that all the companies within each group still hold enough shares to guarantee control by the founder and his family members, who also hold significant numbers of shares.

Hyundai is the most tightly controlled of the top 10 chaebol. The chairman, Chung Ju Yung, and his family hold 15.4 percent of the invested capital, and Hyundai's companies, through cross-holdings, own an additional 46 percent, according to the Fair Trade Commission.

At Samsung, the chairman, Lee Kun Hee, and his family own nearly 3 percent of the group, but Samsung companies control 46 percent through cross-holdings. Daewoo's chairman, Kim Woo Choong, and his family own nearly 6 percent of that chaebol, while Daewoo companies control 33.9 percent.

All told, assets of the "Big Four" chaebol — Hyundai, LG, Daewoo and Samsung — represent half the total assets of the top 30 chaebol, or $367 billion.

That figure is up from $223 billion in 1992 when Kim Young Sam was elected amid promises to cut the chaebol down to size.

In terms of gross national product, representing total output of goods and services, figures also show the chaebol are increasing in importance. Goods and services of the top 30 in 1995 accounted for 16.2 percent of Korea's gross national product of $451.7 billion, 11th in the world, up from 14.2 percent in 1994, according to the Korea Economic Research Institute.

The Fair Trade Commission regularly criticizes the chaebol while conceding it can do little to combat their rising strength.

"It is true that large business groups have their merits, such as contribution to the rapid development of the Korean economy," a recent report said. "But they are also the main culprits of economic concentration in Korea, raising the question of whether their wealth was accumulated in a just manner."

Despite policies "aimed at easing concentration" over the past decade, the concentration of wealth in the hands of the chaebol "is hardly being alleviated," the report said.

Sa Kong Il, an adviser to two former presidents and now head of the Institute for Global Economics, a research organization in Seoul, sees the transition of chaebol ownership from their founders to second- and third-generation heirs as a step on the way to breaking down the groups' monolithic structure.

"There will naturally be some separation," he said. "The old way of doing things now is changing."

Yet even critics of the chaebol acknowledge that they provide the cutting edge for huge expansion, both at home and overseas.

Samsung is setting up a factory to produce cars with technology from Nissan Motor Co., the No. 2 Japanese automaker.

Hyundai, Korea's leading car manufacturer, has opened a new plant on Korea's west coast.

In an ironic twist, however, the government refused recently to approve Hyundai's bid to build a steel plant in Korea.

Mr. Kang, the adviser to President Kim, explained that Hyundai, which already produces cars, ships, chips and numerous other products, could not be allowed to expand significantly — especially into steel, where it would come into competition with Pohang Iron & Steel Co., in which the government owns a large stake.

Refusal to approve the Hyundai plan, however, meant the government was going back on an oft-stated principle of noninterference with the chaebol.

NORTHROP: *Defense Industry's Odd Man Out*

Continued from Page 9

Hughes' sales will total about $14 billion.

"That puts it in perspective," said Paul Nisbet, a weapons industry analyst who heads JSA Research Inc. in Newport, Rhode Island. "If you look at just their electronics business, Northrop at $4 billion will be up against Lockheed Martin and Raytheon, each with $14 billion- to $15 billion-sized electronics organizations."

Analysts suggested that Northrop Grumman had few palatable choices. One is to seek a merger with the new Raytheon-Hughes powerhouse, adding its airframe capability to the combined companies' dominance in missiles and radar. Another is to join with the handful of moderate-sized military contractors that remain as independent entities or to purchase related units from larger companies.

Among the potential partners mentioned by industry analysts are TRW Inc., Litton Industries or ITT Corp.'s electronics line.

Mr. Kress declined to comment on any possible combinations. "We don't speculate on any acquisitions and divestitures, frankly," he said.

But he added: "That doesn't mean that when opportunities come along, major properties are for sale, that we don't take a look at them. Some will fit and some won't, some will have synergies and some won't."

Phone Offer In Singapore

Bloomberg News

SINGAPORE — Companies that win licenses to compete against Singapore Telecommunications Ltd. in basic telephone services may also be allowed to provide mobile phone, paging and Internet services, the Telecommunications Authority of Singapore said Friday.

The government plans to award one or two basic telephone licenses by 1998. Winners of the licenses will be allowed to provide the additional services if they can prove the features "add value" to their basic service, Director-General Leong Keng Thai said, citing "the convergence of new technology."

Malaysia's Plan a Hit

Reuters

PALO ALTO, California — Prime Minister Mahathir bin Mohamad has received support from leading U.S. high-technology executives for Malaysia's so-called Multimedia Super Corridor.

Mr. Mahathir said Thursday that he was encouraged by early commitments from the executives, several of whom voiced enthusiasm for the massive undertaking.

"There's tremendous demand for Asia-sensitive new media content, and the Multimedia Corridor promises to be a hub where a great amount of Asia-sensitive new media content will be developed," said Robert Bishop, chairman of Silicon Graphics Inc.'s Silicon Graphics World Trade unit.

"No country has brought everything together as much as Malaysia has done," he said.

In August, Malaysia unveiled plans to build a $2 billion high-technology center in a zone south of Kuala Lumpur covering about 270 square miles (750 square kilometers) and said it would offer foreign investors incentives such as tax exemptions and full ownership rights to locate there.

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Herald Tribune INTERNATIONAL

MONEY

SATURDAY-SUNDAY, JANUARY 18-19, 1997
PAGE 15

MONDAY: SPORTS

JAMES GLASSMAN ON INVESTING

Looking Long-Term With 10 Bets for '97

A Bias Toward Value Investing

IT IS A SAFE BET that we will never see another two years in the stock market like 1995 and 1996. You just do not make 30 percent back-to-back. But why not try for a triple?

In 1995, I started compiling an annual list of 10 stocks for the year ahead, culling selections from the choices of folks whose opinions I value. That year, the list returned 31.4 percent, compared with 34.4 percent for the Standard & Poor's 500 stock index. Last year's list returned 32.0 percent, compared with 29.3 percent for the S&P. (These figures assume that all dividends are reinvested in the stocks, and the year ends, in both cases, on Jan. 16.)

The 1996 portfolio performed like most of similar size: a few big winners, a few big losers and a bunch in the middle. Seagate Technology Inc., the hard-drive maker, was up 100 percent; Schlumberger Ltd., the oil-service provider, rose 75 percent. Losers were Eskimo Pie Corp. and Hanson PLC.

Here is my 1997 list (in alphabetical order), with the annual warnings: I do not believe in owning stocks for only one year, and, while we will examine the results next year, they should be considered long-term holdings. Also, these picks are those of analysts, although they reflect my bias for "value" stocks.

Arrow Electronics Inc. Bob Rodriguez is a value-oriented, buy-and-hold manager whose fund, FPA Capital, has returned an average of 24 percent annually for the past five years. The fund is closed to new investors, but we can poach his picks by examining the top stocks in his published portfolio. Arrow Electronics, a distributor of electronic components and computer equipment, is the fund's fourth-largest holding. Arrow jumped 47 percent last year, but it still trades a price-to-earnings ratio of only 13.

Astronics Corp. This tiny company (market capitalization, $20 million) has two businesses: It is a low-cost producer of packaging and maker of electronic components for the aerospace industry. The stock trades at just 11 times earnings even though profits are rising at a 33 percent clip. It is the selection of Jay Weinstein, who runs Oak Forest Investment Management in Bethesda, Maryland, which specializes in small-cap value investing for individual and pension clients.

Computervision Corp. The Turnaround Letter, which tries to spot stocks that are about to come back to life, has produced average annual returns of 27 percent over the past five years. Its latest recommendation is Computervision, which provides CAD/CAM (computer-aided design) systems. The stock is off 40 percent in the past year, but Turnaround is high on the new chairman, thinks restructuring is working and says "the core software business is very strong."

Crescent Real Estate Equities Real estate investment trusts had a terrific 1996, and the question is whether that will continue. Barry Vinocur, editor of Realty Stock Review, named Crescent Real Estate Equities as his 1997 top pick. Crescent, whose properties are mainly in Texas and Colorado, returned 64 percent last year, but Mr. Vinocur estimates that for 1997 it can do another 30 percent.

Fiat SpA Kenneth Fisher of Forbes expects major foreign stocks to rise 10 percent to 20 percent this year while "U.S. stocks may drop 5 percent to 10 percent." One of his top picks is the Italian automaker Fiat, whose American Depositary Receipts trade on the New York Stock Exchange. Its price is down one-third from its 1993 high, and it sells for 20 percent of revenue and 90 percent of book value.

Lomak Petroleum Dean Witter Reynolds issues a top-12 list at the start of each year, and from it, we chose Lomak, a small, fast-growing oil and gas producer. Lomak, based in Fort Worth, Texas, trades at just 5.1 times Dean Witter's estimated cash flow for this year, and higher natural gas prices could boost earnings.

The Pep Boys — Manny, Moe & Jack The Value Line Investment Survey recently promoted the stock to a higher ranking (2) and made it a "selection for growth." The Pep Boys is a chain of stores offering auto parts and service; it's expanding rapidly, cutting costs and adding new services like fleet maintenance. The stock trades at an attractive price-to-sales ratio of 1.0.

Sea Containers Ltd., Class A The top 1997 pick of John Buckingham, editor of The Prudent Speculator of Laguna Beach, California, Sea Containers operates ferries, ports, hotels and trains. Based in Bermuda and traded on the New York Stock Exchange, it is down 30 percent from its 1993 high, but it yields about 5 percent.

State Auto Financial Based in Columbus, Ohio, this smallish company writes property and casualty insurance. The insiders, a newsletter that follows stock purchases by large shareholders and managers, says that State Auto insiders, including the chairman, president, directors and largest owner, "continue to buy."

U.S. West Media Group Michael Price sold his Mutual Series funds to Franklin, but he is still picking the stocks, and his record of high returns at low risk is unmatched. At the Mutual shareholders' meeting, (he sang the praises of U.S. West Media Group, a cable TV and wireless company whose stock has languished. But Mr. Price says it's a good value stock for a value-stock year.

The Washington Post.

In Fund-Picking Game, Do the Winners Repeat?

By Carole Gould

INVESTORS WHO buy the year's top-ranked U.S.-diversified, no-load mutual fund, hold it for a year and then replace it with the next year's winner usually do well. But not in 1996.

Sheldon Jacobs, who edits The No-Load Fund Investor in Irvington, New York, has been following that strategy since 1992, and examined its results back to 1976. During the 21 periods through 1996, the year's winner outperformed the average diversified no-load during the next year 15 times; it lagged the average five times and tied it once.

Early last year, Mr. Jacobs had reservations about the 1995 winner, Wasatch Mid-Cap, which had topped the list with a 58.8 percent return. He wrote in his newsletter that Wasatch and virtually every other top-performing diversified fund that year were, in fact, closet technology portfolios. Nonetheless, he recommended the Wasatch fund.

That proved to be a mistake. Wasatch was one of the worst performers in 1996, up only 3.6 percent, while the broad market, as represented by the Standard & Poor's 500-stock index, gained 23.0 percent.

As a result, Mr. Jacobs will now decide which of a year's top funds is most likely to keep performing well.

Last year, the top-performing no-load diversified fund, with a 56.2 percent gain, was Warburg Pincus Small Company Value, which he called "a reasonable choice." He judged the second-ranked fund, Fremont United States Micro Cap, as too speculative. His official choice: the third-ranked Robertson Stephens Partners.

Up just over 43 percent in 1996, Robertson Stephens Partners is a more conservative choice than the others, Mr. Jacobs said. While it uses a small-cap value approach to stock-picking, its manager, Andy Pilara, has let cash build up to nearly 60 percent of the portfolio.

"Partners is a safe choice which offers protection on the downside, along with potential during up periods," Mr. Jacobs wrote in his latest newsletter.

New York Times Service

■ Rewards of Junk-Bond Funds

While stocks have been the big stars of the 1990s bull market on Wall Street, any investor in junk-bond mutual funds knows they have not been the whole story, Chet Currier of The Associated Press reports.

For the last six years, funds that invest in high-yielding debt securities have been rolling up gains at better than 12 percent a year.

That is not in the same league with U.S. stock funds' 16 percent-plus returns, as reported by Morningstar Mutual Funds in Chicago. But it is still a dazzling performance.

By comparison, funds investing in higher quality long-term corporate bonds have returned 8.77 percent a year over the five-year period ended Nov. 30, Morningstar reported. The junk-bond funds' gain actually outpaced international stock mutual funds, which averaged an 11.18 percent gain per year.

Morningstar now tracks 164 junk-bond funds with $70 billion in assets, compared with $125 billion in all kinds of government bond funds.

Junk-bond issuers have benefited from the rise in the stock market, which allowed many of them to sell equity as well, broadening their capital at low cost and making it easier to repay their debts. But analysts said the market's outlook was not necessarily as favorable as its recent results. Rising interest rates in a growing economy would hurt low-rated bonds, while a recession would increase the danger of defaults by their issuers.

Best Performing Funds, 1996

Total return in U.S. dollars.

U.S.-Domiciled Funds

Stock Funds	% return	Bond Funds	% return
SS Research: Gl Res; A	70.26	Strong High Yield Bond	26.84
Vankamp Am Growth; A	61.99	Touchstone Inc Oppty; C	25.88
Interact Inv: Tech Val	60.91	Janus High Yield	23.93
Portico: Microcap; Insti	57.23	Summit: High Yld; HY Shs	22.58
SS Research: Aurora; C	56.88	Salomon Bros: HI Yld; B	21.16
Warb Pincus SC Val; Com	56.20	Northeast Inv Trust	20.16
PBHG: Tech & Comm; PBHG	54.42	Value Line Aggr Income	19.72
Pasadena: Sm&Md Cp Gr; A	52.37	Fidelity Adv Re/Hi Inc	18.24
Needham; Growth	51.56	Painewbr High Income; A	17.72
Fidelity Sel Enrgy Ser	49.02	Phoenix High Yield; A	17.23

U.K.-Domiciled Funds

Stock Funds	% return	Bond Funds	% return
Johnson Fry Slater Growth	76.90	Allied Dunbar Conv & Gilt	34.32
Gartmore UK Smaller Comp	58.15	Abtrust Fixed Interest	31.73
HSBC Hong Kong Growth	58.10	Prolific Convertible & Gilt	28.69
Jupiter European	58.02	Framlington Convertible	27.68
NatWest UK Smaller Cos	56.21	Edinburgh Preferred High In	27.53
GT Orient Acc	53.33	ABN AMRO Pembroke High	27.13
Schroder Smaller Companies	52.41	Edinburgh Convertible	25.92
Mercury Recovery	51.05	Prolific Pref & Fixed Interest	25.72
Old Mutual European	49.75	Henderson Preference & Bo	24.29
Baring Europe Select	47.35	Sovereign Controlled Perfor	23.81

French-Domiciled Funds

Stock Funds	% return	Bond Funds	% return
Orval	52.91	NF Obligation Paris Milan	14.09
Placements Chine	44.39	MDM Oblig Inter	13.52
Opéra Fonds	44.39	Convergence Europe Gestion	13.40
Atlas Chine Investment	41.48	Indosuez Multiobligations	12.56
Partner Chine	39.49	MDM Ecu	11.64
Le Portefeuille Diversifié	39.14	LD Index Ecu Dix Ans	9.16
China Europe Fund	39.08	Victoire Sécurité	8.58
AGF Invest	37.78	Delahaye Rendement	8.26
Pétrogef	37.65	Victoire Andromède	8.16
Entreprises Avenir	35.00	Indosuez Stratégie Monde	7.80

Hong Kong Registered Funds

Stock Funds	% return		% return
CIBC-CEF HK Warrant	200.29	Schroder Asia Ch/HK Ent	73.31
CIBC-CEF Pacif Ventr	140.77	Barclays ASF-China	71.77
Mercury Sel-East Eur	139.07	ImPac AP-Hong Kong	66.93
INVESCO Euro Warrant	100.39	CMI Gl Net-China Eq	65.82
China Fund	94.26	GuinFi Sel-China B	65.35
MBf Pacific Warrant	85.6	Thornton NT-HongKong	61.19
Fleming FF-East Euro	81.09	HSBC GIF-HK Equity	60.46
Baring WUF-Trist Wrt	78.87	ManuReg Gl-Glbl Resc	59.54
ABN Am Fd-E Euro Eq	78.17	Barclays ASF-HK	58.6
HSBC GIF-China Eqty	76.24	GT PRC B	55.62

European Offshore Funds

** Includes Isle of Man, Channel Islands, Dublin, Luxembourg.*

Stock Funds	% return	Bond Funds	% return
US Gl Str-Metal&NatR	154.86	Consulta-EmgMkt Debt	55.21
Mercury Sel-East Eur	139.07	LFM Emg Mkts USD Cap	53.37
Vontobel-E Euro Eq B	87.91	MorgStan-Emerg Debt	51.92
Fleming FF-East Euro	81.09	Emerg Mkts Liq Invst	47.09
ABN Am Fd-E Euro Eq	78.17	Eplo-Emg Mkt Debt A	38.21
HSBC GIF-China Eqty	76.24	Worldfolio-EmMk Debt	37.30
Schroder East Europe	73.04	GT Emg Mkts Bond	36.14
Barclays ASF-China	71.77	LFM Emg Mkts DM Cap	35.76
DIT-Dresd GS-OsteuDM	69.57	SBC Em Econ-LatAmBd	34.08
CMI Gl Net-China Eq	65.82	Scudder GO-EmMk InA2	33.39
Fleming FF-China	65.44	Clariden Lat Amer Bd	32.19
GuinFi Sel-China B	65.35	Flem Front-EmMk Debt	31.45
Central&East Euro Fd	62.43	Parvest-Obli-LIT B	28.24
JBaer Coop-Cent EurA	62.34	UBS (Lux) Bond-ITL	27.83
JupiTyn GF-BritLion	62.09	SBC Bond-ITL B	27.75
HYPO Osteuropa	61.74	Baring GUF-Hi Yld Bd	27.65
Pictet TF-East Euro	60.96	VanKamp ACN-Emg FxdA	27.65
HSBC GIF-HK Equity	60.46	Credis Bond-Emg Mkts	26.47
ManuReg Gl-Glbl Resc	59.54	Templ GS-EmMk Fxdn A	26.04
Barclays ASF-HK	58.60	Sogelux Bd-Italy	26.02

Swiss-Domiciled Funds

Stock Funds	% return	Bond Funds	% return
DH Mandarin	43.47	SterlingBondSelect	18.69
IberiaValor	36.76	UBS Bd Inv-STG	18.34
UBS Eqlnv-Iberia	31.05	Bond Valor-STG	16.91
UBS Eqlnv-Scandi	28.91	Bond Valor-USD	15.36
Eurac	28.78	Ecu BondSelection	7.95
Europa-Valor	27.91	MLBS Fixed Inc. B ECU	7.43
UBS Eqlnv-Canada	27.00	UniversalBondSelect	6.85
AngloValor	26.62	BSS Intelbond	6.65
UBS Eqlnv-Netherland	25.94	SVB Bond Intl	6.19
UBS Eqlnv-Energy	25.84	Von Ernst CSF	6.17

German-Domiciled Funds

Stock Funds	% return	Bond Funds	% return
DWS Skandinavien	42.44	DVG Fds-Espana Bond	13.12
Fondamerika	42.05	DIT Eurozins	11.52
DWS Europa Akt Typ O	37.04	DVG Fds-Europa Bond	7.71
DIT Iberia	36.93	Adiglobal	7.31
Deutscher Vermogen A	34.73	Intl Rentenfonds	7.06
DIT Grossbritannien	34.48	Thesaurent	6.50
DVG Fds-Espana	32.15	Rendite Spezial	6.36
DWS US Akt Typ O	31.96	Intl Rentenfonds K	5.40
DWS Iberia	31.00	Adiropa	5.35
DVG Fds-USA	29.94	Adirewa	5.30

Caribbean/Pacific Offshore Funds

Stock Funds	% return	Bond Funds	% return
CIBC-CEF Pacif Ventr	140.88	ML Americas Inc $ A	51.53
Optima Opportunity	100.48	Emerg Mkts Fixed Inc	40.56
China Fund	94.26	ML Mex Inc Peso A	38.11
Eastern Capital	89.59	VistaFund-Fixed Bal	36.32
Opport-Brazil Agg Eq	77.21	JPBT Latin	31.36
Opport-Brazil Stratg	76.37	Pactual Orbit A	29.48
Schro Asia Ch/HK Ent	73.31	Linear Focus Braz-E	27.41
Opport-Brazil Equity	67.84	Montpelier-Bulgaria	19.05
ImPac AP-Hong Kong	66.95	ML Mex Inc Dollar A	18.04
Eagle Fd	63.49	Commander Fund	17.54

Sources: Lipper Analytical Services Int'l (U.S., German and Offshore); Europerformance (France); HSW (U.K.); BOPP (Swiss) IHT

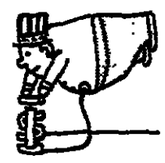
Booming Markets: A Hard Act to Follow

After Big Gains in 1995 and '96, The Outlook for 1997 Is Cautious

By Conrad de Aenlle

ALTHOUGH 1997 has gotten off to a profitable start for many global securities investors, after two years of gains in most major markets with the exception of Japan, counting on lightening to strike thrice would be unwise, investment-industry executives said.

Shareholders in most types of mutual funds ended 1996 happy, as asset values continued to expand, often at an accelerated rate, through the fourth quarter. Stock indexes around much of the world, notably in the United States, exceeded levels that even the most hopeful and credulous forecasters had thought likely when prices started to rise two years ago. Only Japan and some other Pacific markets disappointed investors.

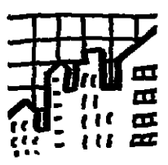


There have been only three other two-year periods since the 1960s with better returns than the 56 percent recorded by American general equity funds in 1995 and 1996, according to Lipper Analytical Services, a research company that compiled the information for this article. In each case, the following year or so was dismal, with either a loss or a reed-thin gain; the worst performance was a fall of nearly 20 percent in 1969 and 1970 after the average fund had gained 60 percent over the two preceding years.

"The outlook for 1997 is for mildly good domestic returns at best," said Michael Lipper, president of Lipper Analytical. "World equity and mixed equity funds, like balanced funds, could well have their day in the sun unless a market downturn makes money-market and high-quality-bond funds look attractive."

Last year's fourth quarter was lovely to behold, especially for owners of U.S.-invested general stock funds. The average one generated a total return — the gain from share-price appreciation plus dividend income — of 5.0 percent, lifting the annual total return to 19.5 percent.

Among the 27 varieties of fund tracked by Lipper, just three lost money. Funds targeting Japan took the biggest hit, losing 9.8 percent in the three months through December. They dragged down Pacific region funds, which fell by 0.3 percent. Gold funds, which had held up well through the year, despite lackluster returns for the metal, fell by 4.7 percent.



By far the best group in the quarter was real estate. Of the top 20 equity funds, 18 bought property or shares in real-estate-related businesses and rose by 15.9 percent.

The list of full-year leaders was more eclectic, with technology, Latin America, smaller companies, gold, energy and ordinary growth funds represented. The average equity fund, including those specializing in single industries or foreign markets, was up 17.7 percent during the year and 4.7 percent in the final quarter.

The strongest investment objective was natural resources, up 32.7 percent for the year, led by State Street Research's $125 million Global Natural Resources Fund; it rose by 70 percent, making it the best U.S. fund of any sort.

The fund's manager, Dan Rice, attributed his success to the fund's concentration on small energy companies. Even though their earnings grow faster than those of larger firms in the industry, they sell at a smaller multiple of the cash flow they generate, meaning the market has a lower opinion of their prospects.

"They're fighting the 15-year-old fear that oil and gas prices will collapse," he explained. "People want liquidity as a result of that fear, but fears tend to ebb and flow. This one appears to be ebbing."

As the smaller companies' valuation discounts to their larger brethren narrowed, Mr. Rice's fund soared.

"That was a big chunk of the out-performance," he said. "Then we got lucky. Four out of our top 10 holdings were bought out during the year."

Concentrating on smaller stocks helped a second fund run by State Street, which is part of Metropolitan Life Insurance Co., to make it to fifth place among the year's top funds. Aurora, which rose by 57 percent, buys small-capitalization value stocks.

Other types of U.S. stock funds that did well for the year include real estate, which rose by 30.8 percent, thanks to the rousing fourth-quarter run; financial services, 28.0 percent, and Latin America, 27.4 percent.

Strong performers in the quarter included financial services, up 11.4 percent; natural resources, 8.9 percent, and European-invested funds, 8.7 percent.

The next best, and the best general-equity group, were funds that keep a fixed portfolio designed to track the Standard & Poor's 500 index. They gained 8.2 percent, reflecting the cost advantage they have over actively managed funds, but more so the fact that the 50 were especially nifty. The blue-chip issues that make up the index were in vogue in a big way during the quarter, pushing the S&P 500 index 8.3 percent higher, comfortably beating the 4.7 percent gain of the Russell 2000 index of smaller companies.

That helped some of the larger U.S. mutuals to recapture performance and respect that had dissipated during the year, notably at the largest, Fidelity Magellan, where poor market timing and ill-considered asset allocation kept returns barely above break-even for much of the year.

The largest funds, because they have so much money, are unwieldy to manage and must concentrate on big stocks. As International Business Machines Corp., General Electric Co., Coca-Cola Co. and other venerated names moved higher, along with some of the newest and bluest chips, such as Intel Corp. and Microsoft Corp., so did the large mutuals. According to Lipper, nine of the 10 largest funds gained more than the average U.S.-invested equity fund during the fourth quarter.

Bond-fund performance was more muted. Prices of long-term Treasury bonds ended the year lower than they had started as yields rose, owners of U.S. bond funds still recorded gains, even if they wished they had been in stocks. The average U.S.-invested bond fund was up 2.8 percent in the quarter and 4.7 percent in the full year.

Foreign-invested bond funds did better, gaining 3.5 percent in the fourth period and 8.9 percent in the year. Confidence that European economic and monetary union would proceed more or less on schedule drove down yields across Europe, especially in the markets in Europe's economic and geographic periphery.

The best investment of all last year, among stocks and bonds, was emerging-market debt, as Latin American and Russian bonds appreciated substantially. The average fund rose by 8.5 percent in the quarter to finish the year 42 percent higher.

The fourth quarter in U.S. mutuals is tough to beat, but managers of British unit trusts did it handily, thanks to a strong pound. When expressed in dollars, the average British equity fund rose by 8.3 percent and the average bond fund was up 10.7 percent.

Strong domestic stock and bond markets produced even higher returns for funds that invested there exclusively. Returns for the quarter were 13.4 percent for stock funds and 12.6 percent for bond funds.

For the full year, average returns were 20.7 percent for stock funds and 16.2 percent for bond funds. For British-invested funds, the returns were 28.1 percent for equities and 19.2 percent for bonds.

The best funds in the quarter were a hodgepodge of growth, income and balanced funds, three-fourths of which targeted the home market. Conspicuous among the leaders were three funds that invested in Hong Kong, a market that was up 13 percent in the period.

Old Mutual made it to the year's top 20 three times with unit trusts targeting three places: Europe, North America and Hong Kong.

David Ross, a global portfolio manager at the management company, credited the strong results to an approach of ferreting out "cheap growth stocks."

"Last year," he said, "our stock selection techniques were good in any region we tried them in."

The value-oriented strategy generated returns of more than 40 percent for each fund.

The Europe and Hong Kong funds are more actively managed than the American vehicle, for which Old Mutual uses a proprietary computer-screening system to do much of the stock selection.

"What the computer screening looks for is companies the market doesn't like for some reason, companies that are cheap for the growth they can deliver," Mr. Ross said.

"For example, it got us into technology stocks right at the bottom," he added.

The sector weakened in the middle of last year before staging a recovery.

Among equity funds domiciled in the main European offshore territories — Luxembourg, the Channel Islands and the Isle of Man — almost all of the 20 best in the fourth quarter targeted Hong Kong or China.

Asia was the investment objective for several of the best-performing funds for the full year, too, with Eastern Europe, which dominated in the first six months, also well represented.

About three quarters of the leading bond funds, when performance is measured in dollars, invested in British paper, benefiting from the pound's rally.

Continued on Page 17

Advertisement

INTERNATIONAL FUNDS

January 17, 1997

available on Internet: http://www.iht.com/IHT/FUN/funds.html

For information on how to list your fund, fax Katy Houri at (33-1) 41 43 92 12.

E-mail : funds@iht.com

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THE MONEY REPORT

Russia Glitters Amid a Variable Constellation of Emerging Markets

By Iain Jenkins

RUSSIA WAS THE best bet for investors in emerging markets last year, and many analysts are predicting that more gains are in store for those willing to gamble on President Boris Yeltsin's health and on the outlook for economic improvement.

Venezuela and China joined Russia as markets where investors could have doubled their money in dollar terms during 1996. South Korea and Thailand were among lagging Asian markets whose outlook for this year remains unclear.

A bet on Mr. Yeltsin was a good gamble in 1996. Lifted in part by his victory in the Russian presidential election, Regent Pacific's Blue Tiger Investment Co. delivered a remarkable 198 percent in the 12 months to the end of November 1996. More typical was the 113 percent gain at Fleming Russia Securities Fund.

Getting it wrong last year was costly. Those investors who bought some South Korean, Thai or Indian funds lost up to half of their money.

The worst performing fund, according to Micropal, the London-based measurer of fund performance, was Berkshire Korea Fund, which was down 61.67 percent.

Many observers are predicting a more widespread recovery of emerging markets this year. The theory is that the so-called Tequila hangover, which began after the Mexican peso crisis in December 1994, has finally worked its way through the markets.

Furthermore, a fairly benign global interest-rate environment is expected, and that would be positive for emerging markets, many fund managers said.

There are, however, two debates among emerging-market fund managers. The first is about the direction of Wall Street after two remarkably profitable years. The second is whether emerging markets will move in tandem during 1997 or repeat last year's pattern of diverging performances.

Practically everyone agrees that the best-case scenario is that Wall Street stops going up.

"The marginal dollar has been chasing Wall Street, which has held back emerging markets," said Richard Lamb, head of emerging markets at Morgan Grenfell Asset Management. "If Wall Street stands still, the marginal dollar will flow into emerging markets."

There is no doubt that a severe Wall Street decline would hammer emerging markets. Many investors are so battle-scarred by the various disasters that have befallen them in recent years that they half expect Wall Street to ruin what should be their party this year.

But Chris Poll, a former fund manager and now head of Micropal, was more upbeat.

"Clearly, the steam will start to come out of Wall Street," he said, "but I'm not convinced that it will be more than a 10 to 15 percent correction, which wouldn't hurt emerging markets too much. The place to put your money is in broad-based emerging-markets funds, which stand to benefit from a general upturn."

Anyone who believes in the "general recovery" theory should consider a fund like the outstanding Capital International Emerging Markets Growth Fund. Run out of Los Angeles and quoted in New York, the fund has delivered a 25 percent growth in the last three difficult years, compared with a sector average of 9.57 percent. In the year to mid-December, it was up 12.66 percent against an average of 9 percent.

BUT MOST people expect the patchy performance of emerging markets to continue. Marc Mobius, head of the Templeton emerging-markets team, said he did not think all markets were going to perform well this year. He does not think that Asia will perform well, but he likes Latin America, particularly countries like Argentina and Brazil.

Those, like Mr. Mobius, who believe that the selective rally will continue, have different views about which markets will do well. Most say that investors should stick to those markets that rallied or shown signs of recovery in 1996.

Russia is still many people's favorite in 1997. Bill Browder, who runs Hermitage, one of the high-flying Russian funds, which returned 193 percent in its eight months of existence last year, said that only a small part of the good news is in Moscow stock prices.

"As interest rates fall and money moves out of fixed-income into equity this year, the stock market should take off again," he said. "I can see smaller companies moving up ten times. The larger liquid companies will go up 40 percent or more."

The argument for Russia is that the expected upside from Mr. Yeltsin's victory has been delayed by his heart operation. If his health improves, the economy is expected to show positive growth for the first time since the collapse of communism and interest rates are expected to decline, providing conditions for a stock-market boom.

FLEMING RUSSIA Securities Fund is still a good option after strong results in 1996. It has started to move part of its portfolio into smaller, second-tier companies that should benefit disproportionately from the improving economy.

Those who prefer to buy in markets that have suffered a prolonged period of poor performance — rather than in high-flying markets — should consider Asia. But be warned: Many fund managers are cautious. Fast growth is expected to continue in Southeast Asia, but with their new wealth these countries are turning to consumption and away from investment, analysts said.

Not everybody shared that view. Matthew Merritt, global strategist at ING Barings in London, said: "We think people are reading Asia incorrectly and predict that the relative underperformance of Asia will reverse this year. We think that the trade position will improve this year and that the growth story in Asia is still in place."

Yet, Mr. Merritt added: "For 1997, our first choice is Eastern Europe, particularly Russia and Poland. We then prefer Asia over Latin America."

Emerging-Market Funds

Total return in U.S. dollars over one year to Nov. 30, 1996.

Best Performing	% return	Worst Performing	% return
Blue Tiger Investment Company	198.40	Berkshire Korea Fund	-61.67
Korea Small Companies Trust	172.01	Thai Asset Fund	-59.64
Firebird Fund LP (E)	140.00	Thai-Asia Fund	-56.14
White Tiger Investment Co Ltd.	137.34	CIIC Smllr Companies Portfolio	-46.90
Mercury ST Eastern European	117.86	Thornton New Tiger Pakistan	-40.55
Fleming Russia Securities	113.70	Regent South Asia	-38.44
Red Tiger Investment Company	113.01	Nomura Aurora Thailand	-37.09
Russia Value Fund LP	110.94	Sinpinyo Seven	-36.10
Optima Opportunity Fund Ltd.	95.60	Sinpinyo Four	-36.00
Eastern Capital Fund Ltd.	86.66	Barclays ASF Korea	-35.61
Baring Emerging Europe	79.23	Nakornthon Fund	-35.35
Gems Russia Fd Ltd. A	77.75	Dynamic Eastern One Fund	-34.93
Vontobel Eastern Europe Eq A	76.51	Siam City	-34.64
Templeton Russia Fund Inc.	74.77	MBf Thailand Fund	-34.64
Russia Fund Ltd.	73.67	Sinchada Fund	-34.15
Fleming FF Eastern European	71.80	Oryx (India) Fund Ltd.	-34.08
AAF Eastern Europe Equity Fd	69.19	Roong Roj One	-33.99
FP Russian Equity	65.60	Thanan Phum	-33.96
Schroder Eastern Europe Fund	63.59	Regent Moghul Fund Ltd.	-33.84
NatWest/IFC LAIF Venezuela Inx	63.33	Sub Anan Fund	-33.75

Source: Micropal IHT

After the Deluge, Mexico Re-emerges

By Judith Rehak

RECOVERING FROM its disastrous devaluation of the peso two years ago, Mexico, like a critically ill patient, has experienced successes and setbacks, but investment managers are increasingly bullish on the country.

The government's austerity program has brought inflation down from 52 percent in 1995 to a projected 17 percent for this year, but the cost has been devastating for average Mexicans, who can barely afford to keep food on the table. The fragile recovery has been led by exports, but recently the level of imports has been creeping up again, a reminder that a spending spree on foreign products was a major cause of the devaluation. Even as the economy improves, it is subject to political risk: In September, the country was shaken by a series of rebel attacks.

Still, the overall progress made by Mexico in just two years has been remarkable, observers said. David Chon, Latin America strategist for Bear, Stearns & Co. in New York, credits the austerity program and two other factors.

"They received international financial support that stopped the free fall of the peso, and there has been a robust demand for their exports," he said. Mr. Chon said he expected Mexico's economy to grow about 4 percent this year.

On Wednesday, Mexico announced that it was repaying all of its $12.5 billion debt to the United States, three years ahead of schedule, and the remaining $1.5 billion of a $17.8 billion International Monetary Fund loan. The government said the repayments would be made with proceeds from international bond sales.

Mexico players are also heartened by the fact that fewer nervous investors are pulling their cash out of the country whenever there is economic or political turbulence.

"In 1995, it was a vicious circle—the economy did badly, and a lot of money left," said Robert Meyer, portfolio manager of the Morgan Stanley Latin America fund. "Some fled in October 1996, but less than before. I think that what is happening is that we are beginning to see a return of confidence to the country."

Another encouraging trend is a tentative move from exports to domestic consumption as the source of growth. This has some aggressive investors loading up on consumer stocks, like Kimberly Clark de Mexico SA, which makes paper products; Cifra SA, the retailing giant, and Elektra del Noreste SA, an appliances chain that extends credit to middle- and low-income purchasers.

But not everyone is ready to dive headlong into such companies. Mr. Meyer, who has about 31 percent of his fund's assets in Mexico, agreed that consumer spending was slowly improving, but he put emphasis on "slowly." He said he preferred industrial stocks that would benefit from growing domestic activity, such as Empresas ICA SA, the largest diversified construction company in Mexico, and Cemex Internacional SA, the top cement maker.

"Industrials have been leading the recovery and that will continue," he said.

The cement sector also appeals to Veronica Berger-Collins, manager of the Mexican Investment Co. fund for Foreign & Colonial Emerging Markets in London. She said it was "one of the few things on the domestic scene that is doing well."

Mexico's battered banks still leave many investors jittery.

"I'm uncomfortable with them," said Ms. Berger-Collins, noting that banks were still burdened with large numbers of nonperforming loans and were generating little new business.

"Banks aren't willing to loan, but I don't see people rushing in to get credit, either," she said.

Mr. Meyer, however, has banking stocks in his Morgan Stanley portfolio.

"The banking sector is recovering, but it is still very weak," he said. "They need another year of rebuilding, so we expect that to be more of a 1998 story."

Recently, Mr. Meyer also bought stock in Telefonos de Mexico SA, the country's telecommunications company. Once the darling of foreign investors, Telmex fell out of favor when competition in Mexico's long-distance telephone service was opened to foreign companies, breaking the company's 48-year monopoly. While he is not dismissing foreign competition, Mr. Meyer said he had changed his negative view of Telmex to neutral because its stock had underperformed for so long and because it was to receive a rate increase for local calls.

As to what could derail Mexico's recovery, given that the threat of economic setbacks appears to be receding, political perils loom large. Elections are scheduled this summer, and in the past they have been marked by unrest, including the assassination of a presidential candidate, Luis Donaldo Colosio Murrieta, in 1994. President Ernesto Zedillo's promised economic and political reforms, which would help to close the huge gap between the haves and the have-nots, have met with resistance from the conservative wing of his governing Institutional Revolutionary Party.

But specialists in Latin America say the outlook for Mexico has improved in the past year. To the surprise of many, Mexican stocks returned more than 20 percent in dollar terms in 1996, and Mr. Meyer, for one, expects the rally to continue. Even worries about political risk may not be entirely negative.

"It's putting a cautious discount to the market, so it isn't frothy and exposed to a major setback," said Mr. Chon.

For information about the U.S.-listed Morgan Stanley Latin American Fund, call 800 282 4404 within the United States, or 713 993 0500 from abroad. For Morgan Stanley's Institutional Latin America fund, call 800 548 7786 in the United States, or 617 557 8000 from abroad. For the Luxembourg-listed Morgan Stanley Latin America fund, call 44 171 425 8700.

For Foreign & Colonial's Mexican Investment Co. fund, listed in Luxembourg, call 44 171 628 1234.

Many Mexican companies, including Telmex, Empresas ICA and Cemex, are available as American Depositary Receipts, traded in the United States on exchanges and over-the-counter, and in London on SEAQ.

BRIEFCASE

Fidelity Curtails Currency Trading

Fidelity Investments of Boston is to stop offering foreign-exchange trading to clients outside the company, but will continue to offer trading to internal business units such as Fidelity Brokerage Services and National Financial Services Corp.

Fidelity Forex Inc. was started in early 1995 to make currency trades for retail and institutional customers. Fidelity said at the time that Fidelity Forex was a "key component" of the company's plan to expand in the global securities markets.

"We're still committed to the business, but our foreign exchange services will have an internal focus," said Andy Trincia, a company spokesman.

Fidelity, which is best known for managing America's biggest mutual fund group, was never considered a powerhouse in the foreign-exchange trading business, which is dominated by the world's biggest banks. *(Bloomberg)*

Year's Top Fund Directors Selected by Morningstar

The fund managers Shelby Davis of Davis Selected Advisers LP; Joseph Dean of Smith Barney Inc.; Hakan Castegran of Harbor Capital Advisors, and Nick Adams of Wellington Management Co., were named 1996 portfolio managers of the year by the research firm Morningstar Inc.

"Our annual award isn't designed to highlight short-term performance," said Amy Arnott, senior analyst at Morningstar in Chicago. "Rather, it recognizes portfolio managers who demonstrate the investment skill, courage to differ from the consensus, and have a commitment to shareholders."

Mr. Davis manages the Davis New York Venture and Selected American Shares funds; Mr. Deane runs the Smith Barney Managed Municipals and Smith Barney California Municipals funds; Mr. Castegren oversees the Harbor International and Ivy International funds, and Mr. Adams manages First Financial, a closed-end investment fund, whose shares trade on the New York Stock Exchange.

Davis New York Venture Fund's class A shares rose 26.5 percent in 1996; Smith Barney Managed Municipals Fund's class A shares rose 5.6 percent; Harbor International gained 20.1 percent, and First Financial rose 25.5 percent. *(Bloomberg)*

Michael Price Decides To Reprice His Funds

Seeking to attract assets, Michael Price, manager of the Mutual Shares, Mutual Beacon and Mutual Qualified funds in Short Hills, New Jersey, has announced a plan to reduce the share price of his funds by issuing new shares to current investors.

Under the plan, holders of Franklin Mutual Shares Fund, for instance, will receive five new shares for each share they hold on Jan. 31. This means investors will own five shares, each worth about $18.89, instead of one share worth $94.47, at Thursday's close. The value of shareholders' accounts will not change as a result of the stock split.

But Mr. Price said a greater number of investors might direct assets to his funds since the share prices would be lower. *(Bloomberg)*

Microsoft and Intuit Plan Standard Bank Software

Microsoft Corp. and Intuit Inc., rivals in the financial software sector, have proposed a unified technical standard that they said would make it easier to bank via the Internet.

The proposal, also announced with CheckFree Corp., a processor of Internet transactions, is a step toward allowing customers to use any available financial management software at the bank of their choice when banking on-line.

The proposed standard is called Open Financial Exchange. It is as if the technology providers were agreeing on a standard electrical socket design and asking lamp designers to make their plugs to fit the standard. The specifications are being refined and will be included in software to be released in September, the companies said.

Microsoft and Intuit have been competing to get banks to use their respective personal-finance software, which allow consumers to pay bills, balance checkbooks and perform other financial transactions over the Internet. *(AP)*

Jardine Bullish on Asia

Conditions are right for a worldwide resurgence of investor interest in Asia's emerging markets, according to Jardine Fleming Securities in Hong Kong.

It said that after lagging the developed markets of Europe and the United States for almost three years, Asia's historically low valuations "should prove to be a catalyst sparking a resurgence of fund flows from developed to developing markets." Jardine Fleming's regional strategist, Colin Bradbury, said investors might be tempted to look at profit-taking opportunities in last year's winners, such as Hong Kong, Malaysia and the Philippines, in order to try to catch the bottom in the laggard markets of Thailand and South Korea.

(Bridge News)

Market Gains: Hard Act to Follow in '97

Continued from Page 15

But for the full year, all but a couple of the 20 best bond funds specialized in emerging-market debt.

The average offshore stock fund earned 3.4 percent in the quarter and 14 percent during the year; bond funds returned 2.5 percent in the quarter and 5.7 percent in the year.

ING Groep NV's emerging-market debt fund gained 53 percent last year as bets that it made in 1995 paid off.

"We believed in the midst of the Mexican peso crisis that the sell-off was overdone," said Simon Romijn, who manages ING's emerging-market debt holdings.

"We decided to take the portfolio to its most aggressive stance," he added.

That meant buying Mexican paper with long maturities, especially Brady bonds, which had been hammered harder than other instruments during the decline.

Brady bonds are issues from debtor governments that are partially backed by U.S. Treasury securities. They are named for the former U.S. Treasury secretary, Nicholas Brady, who suggested a debt-relief plan in 1989 between such countries and their creditors.

Other profitable moves made by ING included gradually increasing holdings for Russian debt and buying issues from such countries as Panama, Ecuador, Peru, Yugoslavia and Ivory Coast.

But Mr. Romijn warned investors not to expect a repeat performance this year.

"There is no way anyone can match last year's performance," he said. "I have to be honest, investors shouldn't be expecting more than 15 percent."

It is no surprise that Hong Kong and China dominated the list of top equity funds registered for sale in Hong Kong. What is interesting is the fact that the average Hong Kong-registered stock fund performed so miserably, compared with the average European-domiciled offshore fund; at 11 percent for the year, the return was three full points less.

For the quarter, the average Hong Kong-registered stock fund earned 3.5 percent, a poor result considering the 13 percent gain in the benchmark Hang Seng index.

Some Asian markets outside of Hong Kong, notably Japan, were weak last year.

Much of the outsized performance in U.S. markets during the last two years has been attributed to the sudden desire for mutual funds by American investors. In the year through November, net new equity fund investment totaled $208.9 billion, according to the Investment Company Institute, an industry association. That is easily a record for any year.

Some anxious observers view this rapid inflow as the opiate of the market. It feels good but creates a dependency that will ultimately prove harmful.

Share prices, driven higher by fund managers' purchases, are not justified by fundamental valuation measures, they insist. Should the money stop coming in or start going out — say, if the market falls or the public just runs out of cash — share prices could decline. If that compels shareholders to quit their funds wholesale, the drop could be precipitous.

James Stack, editor of the newsletter InvesTech Mutual Fund Advisor, wrote to readers that "the fund industry has taken great pains to assure the investing public that redemptions won't intensify a future market decline."

"Yet," he added, "how ironic that mutual funds are currently and quietly taking steps to prepare for a possible run of redemptions."

He said that several large fund families had gained regulatory approval to borrow between funds to meet redemptions, instead of selling stocks, and that some companies had arranged lines of credit with banks for the same purpose.

"Clearly, funds are growing nervous," Mr. Stack concluded. "Leveraging against redemptions may borrow time, but only if a rebound permits selling into a friendlier market."

The industry does have one source of tranquility in an otherwise nerve-racking environment: the 36 percent of assets, a trillion or so dollars, tied up in individual retirement accounts and other pension plans.

"There are penalties there in case of redemptions," said John Collins, an ICI spokesman. "That money could be shifted around, but I'm not convinced that moving money around is as likely as people slowing investment. Historically, in equity funds anyway, they seem to respond to market downturns by slowing down buying, rather than reversing the flow."

Just in case, some fund companies, notably Scudder and Vanguard, are urging caution and warning investors not to "have expectations out of line with reality," Mr. Collins said.

John Bogle, Vanguard's chairman and self-appointed friend of the small-fund shareholder, has told investors that the next 10 years ought not to be nearly as rewarding as the past 10.

Even if a large portion of fund assets are committed for the long haul, a significant portion may not be. Flows into stock funds began to drop markedly in November, the onset of the holiday shopping season, and the ICI estimates that they remained low through December.

It is easier than ever to switch into, out of or between funds by telephone, and to write checks against accounts. Much of the 1997 outlook for Wall Street and beyond depends on whether American investors decide to turn their attention to consumption or to keep saving for their old age.

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WORLD ROUNDUP

Squabble Resolved

BASEBALL It required far more wrangling than baseball's team owners had expected, but during a nine-hour meeting the owners placed the Arizona Diamondbacks in the National League and their 1998 expansion brethren, the Tampa Bay Devil Rays, in the American League. *(WP)*

Frenchman Injured

SKIING A French skier, Adrien Duvillard, was seriously injured in a crash during training Friday for a World Cup downhill. He remained in a drug-induced coma but had no broken vertebrae, according to medical reports. A statement issued by doctors at the Bern hospital, where Duvillard was flown after his accident at Wengen, Switzerland, said the 27-year-old skier suffered cranial lesions, broken ribs and a punctured right lung. *(Reuters)*

U.S.-Canada Opener Set

SOCCER The United States will play host to Canada at Stanford, California, in its home opener March 16 for the final round of Concacaf World Cup qualifying. *(AP)*

Fat Payoff for Rematch

BOXING Evander Holyfield will receive at least a record $35 million and as much as $40 million for a May 3 rematch with Mike Tyson at the MGM Grand hotel, promoters said Friday. *(AP)*

Check-In at Dallas Jail

Nina Shahravan, who was charged with filing a false police report implicating two Dallas Cowboys' football players in a sexual assault, has turned herself in at the Dallas County jail, where she posted bond. Prosecutors have increased the charge against her to perjury, which carries a stiffer penalty than the charge filed earlier this week. *(AP)*

• Jose Mesa, the Cleveland Indians' relief pitcher, has been indicted on a charge of raping a 26-year-old woman he met at a club. Mesa, 30, was also indicted on other counts related to a complaint by two women Dec. 22. *(AP)*

Wolfgang Rattay/Reuters

FLYING LOW — Deborah Campagnoni of Italy clearing a pole and going on to win the giant slalom World Cup race Friday in Zwiesel, Germany. Anita Wachter of Austria was second and Pernilla Wiberg of Sweden third.

Calcavecchia Ties Rinker in 2d Round

By Thomas Bonk
Los Angeles Times Service

INDIAN WELLS, California — Trying to convince a golf ball to roll into a small hole is not an easy thing to do a lot of times, which is why Mark Calcavecchia decided it was time to experiment.

When he had trouble putting last year, Calcavecchia tried everything except disappearing into the basement, putting on a white smock, throwing the power switch and hiring anybody named Igor to be his caddie.

It must have worked. After two rounds of the Bob Hope Chrysler Classic, Calcavecchia finds himself at 13-under-par 131 and tied for the lead with Larry Rinker in the $1.5 million event, which is played on several courses.

Calcavecchia shot a 67 at Indian Ridge on Thursday to catch Rinker, who had a 68 at Indian Wells. Jay Don Blake had a 67 at Bermuda Dunes and is one shot behind. Paul Goydos could have been right there with them, but back-to-back bogeys at Indian Ridge put him two shots back at 133.

Mark O'Meara and Tommy Tolles head a group of five at 134. There are 18 players within five shots of the lead after two rounds. Oddly enough, that's close to the same number of experiments Calcavecchia tried to improve his putting.

He tried putting cross-handed. He tried the long putter. He changed grips. He changed putters. He putted with everything except a rake. Just as he was considering using a pool cue on the greens, Calcavecchia started using a Scotty Cameron putter in December. After it worked all right in Argentina, he decided to stick with it for a while.

As it turned out, Calcavecchia is so committed to his new putter that he brought only one with him this week, which is out of the ordinary. Calcavecchia used to switch putters when he changed socks.

There are new greens at Indian Ridge, and Calcavecchia said they played better than they looked.

"They don't look great, but they sure putt good," he said.

"There is not much grass on them. I don't know if I could call them nice, fast, smooth dirt or what, but they putt very nice."

The greens that were the nicest to Calcavecchia were three in a row on the back nine, basically because he birdied them. It started at the 13th, where he hit a wedge to 15 feet and made it.

On the 14th, Calcavecchia hit a 7-iron to 18 feet and made it. And on the 530-yard 15th, a par-5, he lipped out a 30-foot eagle putt and settled for a tap-in birdie.

"You know, I am just trying to birdie every hole and forget what I'm shooting," he said. "Kind of the best way to come into this tournament."

Rinker wasn't as sharp following up his first-round 63, but it hardly mattered. Instead, Rinker pointed out that there still were three days and 54 holes to play.

"We are a long way from the end," he said.

Rinker was 1 under par on the front nine, but he changed his momentum when his 3-iron put him to within 20 feet of the hole on No. 10. He made the putt from there.

In Australia, Davenport Sees Graf on Horizon

After Victory Over Thai, a High Goal

By Robin Finn
New York Times Service

MELBOURNE — It's not politically correct to look ahead to the second week of a Grand Slam when you've still got homework to do in the first, but Lindsay Davenport, that experienced high school graduate, has decided a bit of forward thinking is exactly what's been lacking in her approach to Grand Slam tournaments in the past.

That's why, scant minutes after she walloped Tamarine Tanasugarn of Thailand, 6-1, 6-0, in a 45-minute third-round excursion, Davenport was scanning the horizon for her projected quarterfinal clash with top-seeded Steffi Graf, a four-time Australian Open champion despite her frequent absenteeism at the year's first Slam.

"My goal is to get there, get to Steffi and give her a match again: I know I can compete with her," said the 6-foot-2-inch Davenport, who dwarfed her opponent Friday but doesn't take quite the same security from her five-inch height advantage over the German star.

"She's definitely so good she can beat anyone as bad as she wants," Davenport said about Graf, who didn't play that way Friday until discovering herself at a 5-2 disadvantage against Ines Gorrechategui of Argentina.

Just as it had in the second round, it took a 4-0 first set deficit to rouse the German to retributive action, in this latest case a 7-5, 6-3 elimination of her flustered opponent.

Davenport, last year's Olympic gold medalist in Atlanta, said she exited 1996 "fried" but smarter for her unanticipated August triumph. Not only did it give her the confidence to defeat Graf two weeks later in Los Angeles, it gave her the insight she needs to cope correctly with double-week events like this, the one where she's voted herself likeliest to succeed among the four Grand Slams still awaiting her imprint.

"I love the weather here when it's hot, really hot and still," said Davenport, who has that to look forward to next week, when sauna conditions are predicted. "The courts suit my game more than the other Grand Slams; the bounce is high and the ball sits up for me to hopefully nail," she said.

Then there's the incentive factor, said Davenport, who proved to herself in Atlanta "that I can finally win a big one." She said, "The top players like Steffi and Arantxa and Monica, they live for the second weeks of Grand Slams.

"To be able to win a Grand Slam you have to want the second week more than the first, want to be here when no one else is still around."

And for that to happen to Davenport, she'll have to make sure that Graf, winner of the last six Slams she entered, isn't around at the end.

"I still have to improve a ton if anything like that's going to happen," Davenport conceded.

Last year's finalist, fifth-seeded Anke Huber, will meet 1995's champion, the unseeded Mary Pierce, in a duel of baseline belles in the Round of 16.

Huber fended off Natasha Zvereva, 7-5, 6-0, and Pierce, apparently on the rebound here at the event where she won her first and only Slam, easily disposed of Marketa Kochta of Germany, 6-0, 6-2.

On the men's side, MaliVai Washington played his way into the quarterfinals for the second straight year. He improved his record against Todd Woodbridge to 4-2 with a 4-6, 6-2, 6-3, 6-1 victory.

Washington said the experience of reaching the Wimbledon final in 1996 has left him a clear goal in 1997. "You want to take it one step further," said Washington, who took Friday's step with some inadvertent assistance from Woodbridge — the Australian doubles specialist double-faulted 10 times and made 52 unforced errors. Washington's next opponent is 14th-seeded Felix Mantilla of Spain.

Unseeded Carlos Moya, the 24th-ranked Spaniard who stunned the defending champion, Boris Becker, in the first round, on Friday became the first man to reach the fourth round, a career first for the 20-year-old slugger at this or any Slam, with a 6-2, 6-2, 6-2 defeat of Bernd Karbacher of Germany.

Marcelo Rios, the ninth-seed from Chile, also reached the quarterfinals with a 4-6, 7-6 (7-2), 6-1, 6-1 defeat of Gilbert Schaller of Germany; like Moya, Rios had faltered in the first round last year in his only previous appearance here.

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GREECE	DR	18,200	9,100	50%
IRELAND	IRE	52	26	50%
ITALY	ITL	145,600	58,000	60%
LUXEMBOURG	LFR	3,3800	1,350	60%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
PORTUGAL	ESC	11,960	5,000	58%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	932	350	58%
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Chileans Check a Report That Yacht Was Found

Agence France-Presse

VALPARAISO, Chile — The Chilean Navy was investigating a report Friday that the lost Canadian yachtsman Gerry Roufs had been found.

Maritime officials said earlier Friday that a Chilean naval plane had spotted Roufs's yacht late Thursday, 98 nautical miles northeast of Cape Horn. It had been missing in the South Pacific since Jan. 6.

The crew of the Chilean naval plane "maintained radio contact with the yacht for a few minutes before poor atmospheric conditions cut them off," said a statement from maritime officials, and all shipping in the area was put on alert to help in rescue efforts.

But a navy official in Santiago said it was not certain that the radio contact was actually with Roufs.

"There are two similar yachts" in the area, a navy spokesman said, adding that the navy had to "sort out" the report and that there would be a briefing later Friday.

Montreal-born Roufs, 43, was last heard from when a satellite transmitter reported his position in the stormy Pacific 4,000 kilometers (2,500 miles) from land south of Easter Island and west of the tip of South America.

Roufs, skippering Group LG2, was competing in a round-the-world nonstop solo yacht race, the Vendee Globe Challenge, which set out in November from France.

In Paris, the director of the race, Philippe Jeantot, said, "I have not been informed of this news." He added that he was in regular contact with rescue headquarters and Chilean authorities.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	27	10	.730	—
New York	27	10	.730	—
Washington	19	17	.528	7½
Orlando	15	19	.441	10½
New Jersey	9	25	.265	16½
Boston	9	26	.257	17
Philadelphia	8	28	.222	18½

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	33	4	.892	—
Detroit	27	9	.750	5½
Atlanta	24	11	.686	8
Cleveland	21	15	.583	11½
Charlotte	21	16	.568	12
Milwaukee	18	17	.514	14
Indiana	17	18	.486	15
Toronto	12	24	.333	20½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	29	9	.763	—
Utah	25	12	.676	3½
Minnesota	16	21	.432	12½
Dallas	12	22	.353	15
Denver	10	28	.263	19
San Antonio	9	26	.257	18½
Vancouver	7	31	.184	22

PACIFIC DIVISION

	W	L	Pct	GB
L.A. Lakers	28	11	.718	—
Seattle	27	11	.711	½
Portland	21	16	.568	6
Sacramento	16	23	.410	12
Golden State	14	22	.389	12½
L.A. Clippers	14	22	.389	12½
Phoenix	13	25	.342	14½

THURSDAY'S RESULTS

Miami	32	16	29	25—102
Boston	16	24	23	31— 94

Mi: Hardaway 7-17 5-6 22, Mourning 7-14 6-11 20; B: Wesley 7-15 6-6 21, Walker 5-12 6-8 16, Williams 5-10 6-9 16. Rebounds—Miami 59 (P.Brown 14), Boston 48 (Fox, Walker 6). Assists—Miami 32 (Hardaway 13), Boston 17 (Fox 5).

Orlando	15	23	9	28— 67
Atlanta	28	17	17	34— 76

O: Hardaway 5-17 6-6 17, Strong 6-15 5-5 17; A: Loehner 10-19 2-2 22, Smith 4-15 9-12 17. Rebounds—Orlando 51 (Anderson 14), Atlanta 64 (Mutombo 16). Assists—Orlando 13 (Anderson 5), Atlanta 17 (Smith 10).

Sacramento	22	28	19	19— 88
Houston	21	15	33	28— 89

S: Richmond 9-21 1-1 23, Polynice 9-19 0-0 18; H: Olajuwon 10-17 6-6 26, Barkley 6-8 3-7 16. Rebounds—Sacramento 62 (Polynice 16), Houston 45 (Barkley 10). Assists—Sacramento 20 (Richmond 4), Houston 24 (Barkley 8).

Cleveland	28	27	28	13 7— 97
Denver	19	28	27	14 9— 88

C: Brandon 7-19 0-0 16, Potapenko 7-9 2-2 16; D: L.Ellis 13-24 1-1 27, Stith 7-15 3-4 20. Rebounds—Cleveland 43 (Ferry 9), Denver 43 (Hammonds 9). Assists—Cleveland 20 (Phillis 7), Denver 20 (Jackson 13).

Phoenix	28	17	23	23— 91
Utah	29	29	28	18— 95

P: Johnson 4-10 12-12 21, Person 7-12 4-5 20; U: Malone 13-23 2-4 28, Hornacek 4-11 4-5 13. Rebounds—Phoenix 50 (Ceballos 12), Utah 51 (Malone 11). Assists—Phoenix 23 (Johnson 12), Utah 26 (Stockton 9).

Portland	34	26	21	21—102
L.A. Lakers	25	19	28	26— 98

P: Rider 7-12 15-18 30, Robinson 7-15 1-2 18; L.A.: S.O'Neal 12-22 9-17 33, Jones 7-12 6-8 23. Rebounds—Portland 52 (Trent, Dudley 8), Los Angeles 53 (S.O'Neal 13). Assists—Portland 20 (Anderson 6), Los Angeles 20 (Van Exel 8).

EUROLEAGUE

GROUP E

Stefanel Milan v Olympiakos as 73-71

GROUP F

Teamsystem Bologna 90, Limoges 76
Cibona Zagreb 85, Panionios 58

GROUP G

Villeurbanne 82, Dynamo Moscow 52

Group H

Kinder Bologna 90, Bayer Leverkusen 100

STANDINGS: GROUP E Stefanel Milan 21; Alba Berlin 20; Maccabi Tel Aviv 19; CSKA Moscow 18, Olympiakos 18; Charleroi 12. **GROUP F** Teamsystem Bologna 21; Cibona Zagreb 20; Estudiantes 19; Limoges 17; Ulker Spo 16; Panionios 15. **GROUP G** Panathinaikos 21, Villeurbanne 21; Ljubljana 20; Pau-Orthez 17, Sevilla 17; Dynamo Moscow 15. **GROUP H** Efes Pilsen 22; Partizan Belgrade 19; Split 17, Kinder Bologna 17, Barcelona 17; Bayer Leverkusen 13.

Major College Scores

Boston U. 61, Hartford 49
Michigan 89, Purdue 65
Southern Cal 75, Arizona 62
Stanford 72, Oregon 69
Temple 70, Cincinnati 55
Tulane 87, Xavier, Ohio 85
Tulsa 80, New Mexico 57
Utah 74, Southern Meth. 57

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	27	13	5	59	147	111
Florida	22	12	10	54	128	104
N.Y. Rangers	23	19	6	52	161	132
New Jersey	22	16	5	49	113	110
Washington	19	27	5	43	121	121
Tampa Bay	17	21	6	40	128	139
N.Y. Islanders	13	22	9	35	113	131

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	25	15	5	55	167	126
Buffalo	23	17	5	51	132	121
Montreal	17	21	8	42	149	157
Hartford	17	20	7	41	128	144
Boston	16	22	6	38	129	161
Ottawa	14	21	8	36	119	128

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	25	17	3	53	130	111
Detroit	21	15	8	50	137	101
St. Louis	20	22	4	44	137	147
Phoenix	19	23	4	42	125	150
Chicago	17	22	8	42	121	127
Toronto	17	28	0	34	138	159

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	27	10	8	62	154	103
Edmonton	21	21	4	46	149	136
Vancouver	20	21	2	42	137	146
Anaheim	17	22	5	39	125	134
Calgary	17	23	5	39	112	131
Los Angeles	17	23	5	39	124	149
San Jose	16	22	5	37	112	135

THURSDAY'S RESULTS

No games scheduled.

TENNIS

AUSTRALIAN OPEN

MEN'S SINGLES

THIRD ROUND

Carlos Moya, Spain, def. Bernd Karbacher, Germany, 6-2 6-2 6-2 9; Marcelo Rios, Chile, def. Gilbert Schaller, Austria, 4-6 7-6 (7-2) 6-1 6-1; Jonas Bjorkman, Sweden, def. Karsten Braasch, Germany, 6-4 7-6 (7-5) 6-3; MaliVai Washington, U.S., def. Todd Woodbridge, Australia, 4-6 6-2 6-3 6-1; Andrei Medvedev, Ukraine, def. Dennis van Scheppingen, Netherlands, 6-1 6-1 6-1; Felix Mantilla (14), Spain, def. Arnaud Boetsch, France, 6-3 1-6 7-6 (7-4) 6-4; Thomas Enqvist (7), Sweden, def. Sergi Bruguera, Spain, 7-6 (10-8) 7-5 6-2; Michael Chang, (2), U.S., def Tim Henman, Britain, 6-1 7-6 (7-3) 6-3.

WOMEN'S SINGLES

THIRD ROUND

Anke Huber(5), Germany, def. Natasha Zvereva, Belarus, 7-5 6-0; Lindsay Davenport (7), U.S., def. Tamarine Tanasugarn, Thailand, 6-1 6-0; Steffi Graf (1), Germany, def. Ines Gorrochategui, Argentina, 7-5 6-3; Amanda Coetzer (12), South Africa, def. Maria Luisa Serna 6-3 6-2; Kimberly Po, U.S., def. Rika Hiraki, Japan, 6-2 6-2; Mary Pierce, France, def. Marketa Kochta, Germany, 6-0 6-2; Sabine Appelmans (16), Belgium, def. Kristie Boogert, Netherlands, 6-1 3-1 (retired); Conchita Martinez (3), Spain def. Asa Carlsson, Sweden, 6-0 6-1.

SKIING

World Cup Results

WOMEN'S GIANT SLALOM

FRIDAY, IN ZWIESEL, GERMANY

1, Deborah Compagnoni, Italy, two minutes, 8.45 seconds (1:03.69-1:04.76); 2, Anita Wachter, Austria, 2:09.61 (1:05.03-1:04.58); 3, Pernilla Wiberg, Sweden, 2:09.92 (1:05.81-1:04.11); 4, Karin Roten, Switzerland, 2:10.25 (1:05.70-1:04.55); 5, Martina Ertl, Germany, 2:0.31 (1:05.28-1:05.03); 6, Urska Hrovat, Slovenia, 2:10.34 (1:05.88-1:04.46); 7, Sophie Lefranc, France, 2:10.79 (1:06.15-1:04.64); 8, Sonja Nef, Switzerland, 2:11.62 (1:06.30-1:05.32); 9, Heidi Zurbriggen, Switzerland, 2:11.66 (1:06.67-1:04.99); 10, Leila Piccard, France, 2:11.75 (1:06.53-1:05.22).

GIANT SLALOM STANDINGS: 1, Deborah Compagnoni, 260; 2, Anita Wachter, 240; 3, Sabina Panzanini, Italy, 215; 4, Katja Seizinger, Germany, 200; 5, Urska Hrovat, 162; 6, Martina Ertl, 135; 7, Karin Roten, 127; 8, Ana Galindo Santolaria, Spain, 108; 9, Hilde Gerg, Germany, 104; 10, Ylva Nowen, Sweden, 87.

OVERALL STANDINGS: 1, Pernilla Wiberg, 923 points; 2, Katja Seizinger, 649; 3, Hilde Gerg, 587; 4, Deborah Compagnoni, Italy, 495; 5, Anita Wachter, 445; 6, Urska Hrovat, 399; 7, Martina Ertl, 385; 8, Isolde Kostner, Italy, 364; 9, Heidi Zurbriggen, 333; 10, Claudia Riegler, New Zealand, 289.

CRICKET

THIRD TEST

INDIA VS. SOUTH AFRICA

FRIDAY, IN JOHANNESBURG

India 1st Innings: 410

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

AL—Elected Derek Irwin vice president of finance.

BOSTON—Agreed to terms with LHP Bucky Henry on one-year contract. Designated Roberto Mejia for assignment.

MILWAUKEE—Agreed terms with RHP Bob Wickman on two-year deal.

TEXAS—Agreed to terms with LHP Ed Vosberg, INF Mike Bell and OF Marc Sagmoen to one-year contracts. Promoted Monty Clegg to assistant director of professional and international scouting.

NATIONAL LEAGUE

ATLANTA—Agreed to terms with RHP Mark Wohlers on three-year contract with option year.

HOUSTON—Agreed to terms with INF Ricky Gutierrez and RHP Mark Small on one-year contracts.

MONTREAL—Agreed to terms with RHP Jim Bullinger on one-year contract.

NEW YORK METS—Agreed to terms with RHP Rudy Seanez on one-year contract.

PHILADELPHIA—Agreed to terms with RHP Jim Fortugno on minor-league contract.

SAN DIEGO—Agreed to terms with LHP Sterling Hitchcock on two-year contract.

SAN FRANCISCO—Agreed to terms with INF Bill Mueller and RHP Dan Carlson on one-year contracts.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CHARLOTTE—Signed F Jamie Feick to second 10-day contract.

UTAH—Signed G Ruben Nembhard to second 10-day contract.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

DETROIT—Named Sylvester Croom offensive coordinator; Larry Peccatiello defensive coordinator; Brian Baker defensive line coach; Dennis Murphy quality-control defensive coach; Frank Falks running backs coach; Jerry Sullivan wide receivers coach; John Misciagna quality control-offensive coach and administrative assistant and Chuck Priefer special teams coach.

KANSAS CITY—Signed Carl Peterson, president and general manager, to 4-year contract. Extended contract of Marty Schottenheimer, coach, for four years through 2001.

NEW YORK GIANTS—Named Jim Fassel coach.

SAN DIEGO—Signed SS Rodney Harrison to 3-year contract.

SAN FRANCISCO—Named Steve Mariucci coach and signed him to five-year contract.

HOCKEY

NATIONAL HOCKEY LEAGUE

CHICAGO—Recalled C Kip Miller from Chicago, IHL.

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SPORTS

Willy Waterton/The New York Times

Like myriad hockey teams across Canada, the Owen Sound Platers take the ice for a practice session.

Hockey Scandal Rocks Canada

Sexual Abuse Cases Undermine the National Image

By Anthony DePalma
New York Times Service

OWEN SOUND, Ontario — As another winter storm charges in from Georgian Bay, the Owen Sound Platers practice on the opaque ice of the Harry Lumly Bayshore Arena, not far from the water's edge.

It is a deeply Canadian ritual: the blinding snow outside, the sharp scrape of steel against ice, the clack of hockey sticks slamming into pucks. For Adam Campbell, 16, and his red-cheeked teammates, this is the stuff that dreams are made of.

"Sure, I love my parents and I concentrate on school a lot," said Campbell, the Platers' hot new rookie. "But hockey's my life."

Hockey is not just the national pastime in Canada; in many respects, Canadians will tell you, it is Canada. The essence of hockey — ruggedness, brute strength and guile on ice — is sometimes seen as a macho modern manifestation of Canadians' long-ago beginnings as trappers and explorers trying to tame their harsh environs.

Hockey players, from the stars of the National Hockey League down to the junior leaguers like the Platers in this working-class town northwest of Toronto, command the rapt attention of a vast and knowledgeable legion of Canadian fans.

So it was not only the sport, but also Canada itself that has been shaken by recent disclosures of sexual abuse of young hockey players by their coaches.

The most stunning came earlier this month when Graham James, one of the most successful junior league coaches in western Canada, was sentenced to three and a half years in prison for sexually abusing two of his teenage players hundreds of times over several years.

Then a player who has realized the dream of thousands of young hockey players by making it to the NHL stepped forward and told the story of his sexual abuse by James.

"When things like that happen, you hide your feelings and you never talk," the player, Sheldon Kennedy, said in an interview with Canadian newspapers.

Now 27, Kennedy, a forward for the Boston Bruins, said other coaches and officials in junior hockey must have known what his coach was doing but did nothing to stop him. He called James "a very smart, manipulative man." Kennedy's story moved and outraged much of Canada. It also prompted disclosures of other cases of sexual abuse in junior hockey and forced sports officials and parents to re-examine a system that puts nearly half a million players on the ice every year.

Former junior league officials and players have come forward to say that Brian Shaw, who was a coach, general manager and later chairman of the Western Hockey League's board of governors, enticed and threatened young players into sexual liaisons for 30 years. Shaw died in 1993.

The disclosures have focused new attention on the cases of a junior league coach in Quebec, who was dismissed in 1990 after being accused of fondling two boys, and another Quebec coach who was sentenced to five months in prison that year. Both pleaded guilty to sexual assault on minors.

While there is no evidence that parents have pulled their sons and daughters out of the local hockey leagues that flourish in almost every big city and small town in Canada, it is clear that what happened to Kennedy has heightened parents' worst fears.

"When you put your kid in day care, you always check this stuff out," said one father, Fred Procapia, "but not with hockey, where the kids even get dressed and undressed in front of these guys."

Procapia was standing by as his son Corey, 9, completed practice at the St. Alban's Boys and Girls Club in Toronto. Now, he said, he would think twice before sending Corey to play hockey in another town.

What especially disturbs many Canadians is that the complex system of organized hockey succeeded in fulfilling Sheldon Kennedy's dream — playing in the NHL — but not in protecting him as a youth.

Hockey is religion, some Canadians say, a balm for the soul of the nation. There are 3,000 arenas in the country, including the 2,800-seat home of Platers here in Owen Sound.

That gives Canada almost three times as many arenas as hospitals.

In a population of 30 million, more than 4.2 million Canadians are involved in hockey as players, coaches, officials, administrators or volunteers. In youth league play alone, there are more than 480,000 youngsters, from age 4 to age 20.

The competition is unrelenting. Scouts travel all over the country to identify the outstanding prospects among players as young as 12. By the time they are 14, players may have their rights assigned to a junior hockey team, the highest amateur level, or they may be washed up.

At 16 they can be drafted by the Platers or one of the 48 other semi-professional junior teams, which are privately owned and expected to turn a profit. About 65 percent of the players now in the NHL came through the junior league.

Kurt Walsh, 19, the captain of the Platers — who are named for the electroplating company that is the owner's other business — left his home in Kelligrews, Newfoundland, when he turned 16 and was drafted by Owen Sound.

He had never been to Ontario, but he agreed to move in with a local family and attend the Owen Sound high school while practicing every day and playing a 66-game season because "it's one of those things you always dream of doing."

For Walsh, who started skating at 3 and played in his first league a year later, all of the dreaming has worked out. He has already been drafted by the Buffalo Sabres of the NHL. He said what happened to Sheldon Kennedy was "a tough situation for a kid."

"It's a part of hockey, a bad part that's rarely seen," he said.

Captains Named For NHL All-Stars

The Associated Press

SAN JOSE, California — Wayne Gretzky of the New York Rangers and Chris Chelios of the Chicago Blackhawks were named as team captains for the National Hockey League All-Star game, to be played here Saturday night.

Gretzky, who will be appearing in a record 16th consecutive All-Star Game, is in his first year with the Rangers.

Chelios, who will lead the Western Conference squad, will be playing in his sixth straight All-Star Game.

No regular NHL games were scheduled Thursday and Friday.

NBA Suspends Rodman for 11 Games

The Associated Press

MINNEAPOLIS — Dennis Rodman of the Chicago Bulls was suspended Friday without pay for at least 11 games and fined $25,000 for kicking a photographer during a game against the Minnesota Timberwolves.

It is the second-longest suspension in the history of the National Basketball Association. The longest was a 26-game suspension given to Kermit Washington of the Los Angeles Lakers for punching Houston's Rudy Tomjanovich, now the Rockets' coach, during a 1977 game.

The Rodman incident occurred during the Bulls' 112-102 victory Wednesday night over Minnesota.

During Rodman's suspension, he will be required to meet with a counselor designated by the NBA. A decision then will be made as to whether he can return to active status after the All-Star break.

"Until Dennis can provide meaningful assurances that he will conform his conduct on the playing court to acceptable standards — including not placing others at physical risk — his suspension will continue," said the NBA commissioner, David Stern.

This is his second suspension of the season.

Although the extent of the photographer's injuries were not known, they were not believed to be serious. The photographer, Eugene Amos, was treated at a hospital Wednesday night.

Clair Cole of the Minneapolis city attorney's office said charges would not be filed before next week. Amos's lawyer, Gale Pearson, said she and Amos would meet with prosecutors Friday.

Rodman was unavailable for comment Friday. He said after the game that he was kicking at a camera and complained that photographers sit too close to the court, endangering players' safety. Rodman said he didn't intend to hurt Amos, but doubted the severity of the injuries.

Amos, an in-house cameraman, filed an assault report Wednesday night after talking to the police at the Hennepin County Medical Center, where he was examined after being carried off the arena floor on a stretcher.

If a charge is filed, it most likely will be fifth-degree assault, a misdemeanor punishable by up to a year in jail and a $3,000 fine.

Michael Caulfield/The Associated Press

The Trailblazers' Gary Trent driving around the Lakers' Eddie Jones.

Cincinnati and Xavier Fall

The Associated Press

Cincinnati and Xavier have been ranked in college basketball's Top 15 rankings most of this season, but both were upset during a doubleheader at Riverfront Coliseum in Cincinnati.

In the opener Thursday night, Jerald Honeycutt scored a season-high 38 points and became Tulane's career scoring leader as the Green Wave beat No. 14 Xavier, 87-85. Tulane (11-5) has won six straight games.

Honeycutt made 16 of 22 shots, including five of seven from 3-point range, before fouling out with 14 seconds left.

In the second game, Temple snapped a four-game losing streak against Cincinnati by shutting down Danny Fortson in a 70-55 victory over the fourth-ranked Bearcats.

Temple's ability to shut down Fortson and Rasheed Brokenborough's 31 points keyed the Owls' upset.

USC 75, No. 6 Arizona 62 In Los Angeles, Stais Boseman scored 21 points and Southern California's coach, Henry Bibby, won the showdown against his son, Mike, a freshman starter for Arizona. The Trojans beat the Wildcats for the first time since 1992 and snapped Arizona's five-game winning streak.

No. 9 Utah 74, SMU 57 In Dallas, Michael Doleac had 26 points, and Keith Van Horn 23 for the Runnin' Utes. Utah has won seven of eight. Jay Poerner led Southern Methodist with 15 points.

Tulsa 80, No. 12 New Mexico 57 In Tulsa, Shea Seals scored 21 of his 23 points in the first half as the Golden Hurricane opened a 24-point halftime lead and coasted. New Mexico was held to 42 percent shooting from the floor and never led in the game after moving up six places in the rankings earlier this week.

No. 15 Stanford 72, No. 24 Oregon 69 Tim Young scored 20 points and got a career-high 21 rebounds as the Cardinal rallied to beat Oregon. Brevin Knight scored six of his 14 points in overtime for Stanford. Jamaal Lawrence made eight of 11 3-pointers for a season-high 29 points for Oregon.

No. 18 Michigan 69, Purdue 65 Jerod Ward scored a career-high 19 points for the Wolverines in a Big Ten clash at Ann Arbor. The Wolverines limited Purdue to just 39 percent shooting from the field and forced 17 turnovers. Brian Cardinal led the Boilermakers with 14 points.

COLLEGE BASKETBALL

Major Casualties As Rockets Top The Kings, 89-80

The Associated Press

Sacramento Kings guard Tyus Edney was the first player to leave the game, and he was taken off on a stretcher.

By the end of play, Houston's Charles Barkley and Mario Elie were also injured, and their teammate Hakeem Olajuwon was ejected after two technical fouls.

Despite losing more players than Sacramento, the Rockets beat the Kings, 89-80, Thursday night.

Barkley limped off with a strained right ankle, while Edney was hit in the back of the head by the knee of Houston's Othella Harrington.

Edney lost feeling in his arms and legs after the first-quarter accident. The game was delayed for about 10 minutes while his neck was immobilized. He later regained feeling and was hospitalized for X-rays, which were negative.

Elie was forced to leave in the first quarter because of a sore right knee.

Olajuwon scored 26 points, including 14 in the third period that brought Houston back from a 42-36 halftime deficit. But he was ejected with 2:52 left after continuing to complain to referee Tony Brothers about a pushing foul.

Hawks 78, Magic 67 Atlanta won its eighth in a row overall and 15th straight at home. Dikembe Mutombo blocked five shots and had 16 rebounds and 14 points for the Hawks. Atlanta's winning streak matches Chicago for the longest active string in the NBA. Christian Laetner scored 22 points for the Hawks. Strong and Anfernee Hardaway each had 17 for the Magic.

Nuggets 88, Cavaliers 87 Ricky Pierce made a 10-foot jumper with 2.7 seconds left as Denver rallied in overtime to stop its five-game losing streak. LaPhonso Ellis had 27 points, and Bryant Stith 20 for Denver. The Nuggets took only five foul shots, a franchise low, making four.

Trail Blazers 102, Lakers 98 Isaiah Rider scored 30 points as Portland ended Los Angeles's 12-game home winning streak. Shaquille O'Neal had 33 points and 13 rebounds for the Lakers, who trailed by 18 points in the third quarter. Portland won for the seventh time in eight games. The Lakers' Eddie Jones scored 23 points before fouling out.

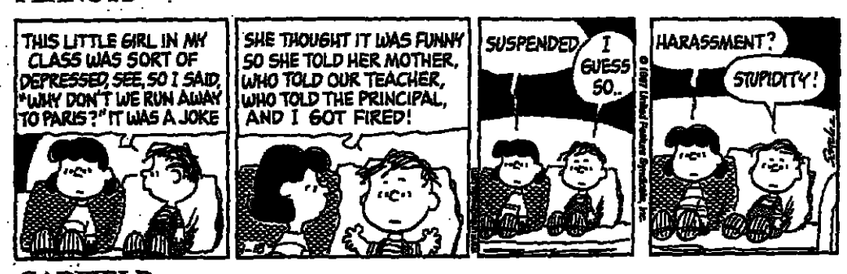
Jazz 95, Suns 91 Karl Malone had 28 points and 11 rebounds as Utah improved to 17-2 at home. Jeff Hornacek scored 13 points, and John Stockton and rookie Reben Nembhard each had 12 for the Jazz. Kevin Johnson had 21 points and 12 assists for Phoenix.

Heat 102, Celtics 94 Tim Hardaway had 22 points and 13 assists, helping Miami hold off David Wesley, who scored 18 in the fourth quarter.

NBA ROUNDUP

DENNIS THE MENACE

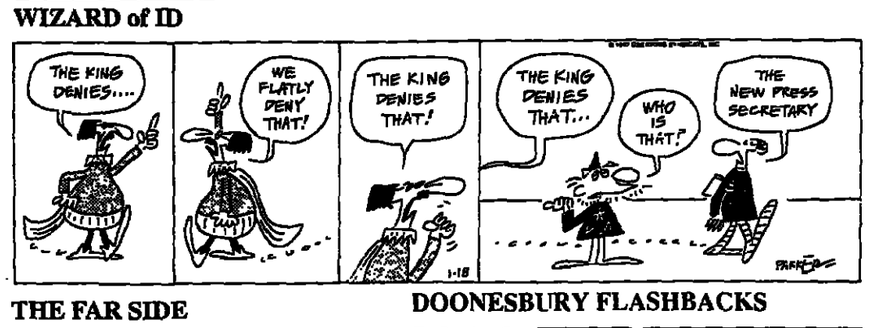
PEANUTS



CALVIN AND HOBBES

GARFIELD

WIZARD of ID



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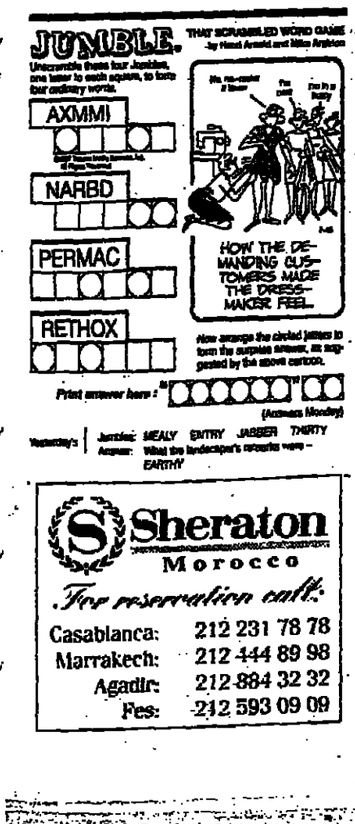
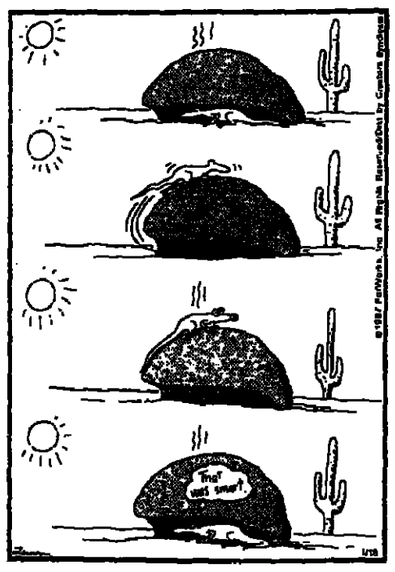


BEETLE BAILEY

THE FAR SIDE



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DAVE BARRY

My Former Life as Mozart

MIAMI — To be honest, I had completely forgotten that in a former life I was Mozart. You know how certain things tend to slip your mind, like where you left your car keys, or the fact that you used to be a brilliant Austrian composer who died in 1791?

I was reminded of my former life recently when I received a book called "Spirit at Work," by Lois Grant, who has had a number of former lives. (I realize that some of you may be skeptical about the idea of reincarnation but there's a lot of evidence that it's real. Exhibit A is Vice President Al Gore, who obviously, at some point in his previous existence, was a slab of Formica.)

Besides having been reincarnated, Lois Grant is in close personal touch with many spiritual entities, including her deceased cat, Fluffernut, and the Archangel Michael, who has written a nice blurb for the cover of "Spirit at Work," which he calls "a key to the rebirth of the planet."

□

Anyway, it turns out that one whole chapter of "Spirit at Work" is devoted to some correspondence that Lois Grant and I had back in 1991. It began when she wrote me a long letter, in which she said that she had been asking herself the question "Where is Mozart now?" So she decided to contact Joya Pope, who serves as a "channeler" for a spiritual entity named Michael, who is "a group of 1,050 souls who have completed their cycle of lives on the Earth." (Sounds like the U.S. Congress!)

Through Joya — who according to the book "is available for channeling by telephone" — Lois Grant asked Michael about the current whereabouts of Mozart. The answer was: "He is a writer living in Florida." On a hunch, Lois Grant sent Joya a photograph of me from the newspaper, and the answer came back that the current reincarnation of Wolfgang Amadeus Mozart is none other than — you guessed it — Wayne Newton.

No, seriously, according to Lois Grant, Joya/Michael says that I used to be Mozart. I was quite surprised to learn this, and you would have been, too, if you had seen me take piano lessons. This was in 1956, when the piano teacher, a woman named Mrs. Ugly Old Bat, used to come to my house every Saturday on her broom and point out to my mother that I apparently had not been practicing.

This was, of course, true. I was 9 years old, and I had better things to do with my time than sit around staring at a music book filled with tiny inscrutable black marks and trying to figure out which ones corresponded with which specific keys on the piano. As far as I was concerned, our piano had WAY too many keys on it anyway. I would have much preferred a piano with a total of two large keys, one white and one black; or maybe even just one really large gray key, so you'd never have any doubt which one you were supposed to hit.

But our piano had THOUSANDS of keys, stretching out for approximately a mile in either direction, and if I didn't hit exactly the right one, Mrs. Bat would make a federal case out of it.

In other words, I was not a natural piano student, in stark contrast to Mozart, a brilliant musical prodigy who by age 9 had already composed his classic work "Porgy and Bess." I did eventually take up the guitar, and I even played in a band in college, but we didn't play complicated music. We played songs like "Land of 1,000 Dances," which only has one chord, namely "E." In fact, a lot of our songs basically consisted of "E." Usually we'd play "E" for an hour or so, then we'd take a 15-minute break, during which we'd change over to "A." So even though Lois Grant seemed to be a nice, sincere person, I frankly doubted that I had ever been Mozart, and I pretty much forgot about our correspondence until I received my copy of "Spirit at Work" and saw the chapter in there about me. I began to wonder: What if I really was the reincarnation of Mozart? I mean, I don't want to get too spiritual here, but if Joya/Michael is correct — if I really am the embodiment of one of the greatest musical minds in history — then anytime anybody plays any Mozart music, I should get royalties, right? So just to be on the safe side, if you use any of my songs — "The Marriage of Figaro," "The Magic Flute," "Summertime," "Happy Birthday," etc. — I'd appreciate it if you'd send me a check. Make it out to Dave "Wolfgang" Barry.

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Hollywood's Case Against Elia Kazan

By Bernard Weinraub
New York Times Service

LOS ANGELES — The shadow of Elia Kazan still hovers over Hollywood. At the age of 87 and in uncertain health, the director who was arguably the most formidable filmmaker of the 1950s and 1960s and has had a powerful impact on many filmmakers today has just been rejected again by the American Film Institute and the Los Angeles Film Critics Association for life achievement awards.

The reason was simple: Kazan has not been forgiven by some film critics and members of the Hollywood elite for an appearance before the House Committee on Un-American Activities on April 10, 1952, when he informed on eight friends who had been fellow members of the Communist Party. Kazan's testimony took place at the height of the McCarthy era, when the House panel was zealously looking for evidence of Communist influence in Hollywood.

Deploring the recent decision by the angrily divided Los Angeles film critics to reject Kazan, Todd McCarthy, the chief critic for Variety, wrote last week that the director of such classics as "On the Waterfront," "A Streetcar Named Desire," "Viva Zapata!" and "East of Eden" remained "an artist without honor in his own country, a celebrated filmmaker whose name cannot be mentioned for fear of knee-jerk reactions of scorn and disgust, a two-time Oscar winner not only politically incorrect but politically unacceptable according to fashion and the dominant liberal-left Hollywood establishment."

Instead of selecting Kazan, the Los Angeles film critics decided to honor Roger Corman, the cult director of "Attack of the Crab Monsters" and "Swamp Woman," among others.

Reached at his home in New York City, Kazan spoke with a blend of gruffness and humor about the recent controversies. "I've been honored enough; I don't need anymore," he said with a laugh. "What more do I want? I'm happy."

Asked if he was bothered about the level of anger against him, Kazan replied: "You want to know the truth? Not one bit. I've had so much praise in my life, some of it deserved, some of it not deserved. What does it matter?"

He spoke haltingly but unapologetically about his appearance before the House panel. "That whole time wasn't very nice," he said. "People were really hurt by what went on. I was part of it, I suppose. I spoke my mind, and I had a right to do it."

To his critics, many of whom weren't born in the 1950s, Kazan's decision to name names 45 years ago was so repugnant that forgiveness seems out of the question. His action remains for some a raw wound that has not healed and probably never will.

But to his defenders, Kazan is viewed as a victim of Hollywood hypocrisy and trendy politics. After all, they say, organizations like the American Film Institute and the Academy of Motion Picture Arts and Sciences, which ritualistically bestow life achievement and humanitarian awards, often honor men and women whose tangled personal lives and behavior, while perhaps not political, have wrought more havoc than Kazan's.

Jack Manning/The New York Times

At issue is Kazan's 1952 House testimony.

Moreover, the movie community has generally forgiven top executives and producers who have forged checks, beaten up women, abused employees and engaged in vicious behavior.

Citing previous honorees, one high-level movie executive who is a member of the board of the Film Institute and favors an award to Kazan said, "It doesn't matter whether Kazan ratted on his friends. Just as it doesn't matter whether Orson Welles and John Huston treated their wives badly, or Alfred Hitchcock was a misogynist or David Lean was not a terribly nice man. It doesn't matter, finally.

"All that matters is the movies. You're honoring a person's body of work."

But Joseph McBride, vice president of the Los Angeles Film Critics Association, who distributed copies of Kazan's congressional testimony at a meeting of the group, strongly disagreed.

"When you're honoring someone's entire career you're honoring the totality of what he represents, and Kazan's career, post-1952, was built on the ruin of other people's careers," said McBride, author of "Frank Capra: The Catastrophe of Success" and a coming biography of Steven Spielberg.

"Ironically, Kazan's films became richer and were more morally complex after he informed," McBride said. "But to give our highest award to him would be ignoring a serious moral issue. We would be passively saying, 'We don't care if people inform on their colleagues.'"

Kazan's decision to inform on his friends from his days in the Communist Party in the mid-1930s came at a tense, heated time when Hollywood studios demanded that their directors and actors cooperate with the House panel or be blacklisted. Certainly, his testimony damaged if not shattered the careers of his former colleagues, Morris Carnovsky and Art Smith, both actors, and the playwright Clifford Odets. Other figures in entertainment also named names, among them actors Lee J. Cobb and Burl Ives and the choreographer Jerome Robbins. But none of them had had the success or fame of Kazan, whose movie career would have been seriously damaged had he not testified but whose theatrical career as Broadway's top director would probably have flourished anyway.

The day after his appearance in Congress, Kazan took out a full-page ad in The New York Times that denounced communism as a "dangerous and alien conspiracy" and said that "liberals must speak out."

In his autobiography, "A Life," published in 1988, Kazan said, "I wanted to name everybody, break open the secrecy" of the Communist Party. But at the time, he was described as an opportunist selling out his friends for a lucrative movie career.

His career flourished after 1953, with such films as "On the Waterfront," in which the character played by Marlon Brando informs on the mob, "East of Eden," "A Face in the Crowd," "Wild River," "Splendor in the Grass" and "America, America." His final film, "The Last Tycoon" in 1976, was a box-office disappointment.

Some of Hollywood's most vocal liberals worked with Kazan after his testimony, including Marlon Brando, Warren Beatty, Kirk Douglas and the cinematographer Haskell Wexler. Even his critics acknowledge that Kazan, who started the careers of Brando and James Dean, has had a powerful impact on contemporary acting. He has influenced many directors, too, including Spielberg and Martin Scorsese, who is to receive a lifetime achievement award next month from the American Film Institute, which is supported partly by studios and government money to preserve films and advance film studies.

PUBLISHING

A Perfect Day for a New J.D. Salinger Book

By David Streitfeld
Washington Post Service

WASHINGTON — J.D. Salinger, whose life has been one long campaign to erase himself from the public eye, is reversing himself somewhat at the age of 78. Next month will see the publication of "Hapworth 16, 1924," the first new Salinger book in 34 years.

Salinger is one of the most enduring and influential postwar American writers, and any New York publisher would have paid a bundle for the rights to the story, which appeared in The New Yorker in 1965. But in the literary coup of the decade, the book will be issued by Orchises Press, a small press in Alexandria, Virginia, run by a George Mason University English professor, Roger Lathbury. Phyllis Westberg, Salinger's agent, confirmed the deal but would answer no other questions. Lathbury was not much more forthcoming, especially on how he had obtained the approval of a writer so secretive that he had his agent throw away hundreds of letters he wrote, and so aloof he had her throw away all his fan mail without reading it.

Nor would Lathbury talk about such relatively simple things as how many copies he was printing. "This is a book meant for readers, not for collectors," he said. "Part of the reason for not revealing a press run is to discourage investing. I want people to read the story."

Until now, that has been possible only for those who have sought out the June 19, 1965, issue of The New Yorker. "I read it when it came out," said the 51-year-old Lathbury. "I think it's true."

True?

"The story. What it says. The main character is right."

That character is the longstanding Salinger hero Seymour Glass, whose suicide in the story "A Perfect Day for Bananafish" is an oft-analyzed Salinger moment. Couched in the form of a letter from the 7-year-old Seymour to his family, "Hapworth" basically spans the whole issue of the magazine, running from Page 32 to 113.

In "In Search of J.D. Salinger," Ian Hamilton wrote that the story is "a weird, exasperating tour de force. . . . 'Take it or leave it' is Salinger's unmistakable retort to any grumbles from the nonamateurs among his audience and he seems fairly certain (indeed makes certain) that most of them will leave it. . . . The Glass family has, in this last story, become both Salinger's subject and his readership, his creatures and his companions."

"Hapworth," said the critic Ron Rosenbaum, is "like the Dead Sea Scrolls of the Salinger cult. The real fascination is that somewhere buried in it you might find the key to Salinger's mysterious silence ever since." Rosenbaum published an essay last week in the New York Observer about "Catcher in the Rye" and about John Lennon's assassin, Mark David Chapman, who said that the answer to his murderous act could be found in Salinger's novel.

The style of the story is over-the-top precocious. "The majority of young campers here, you will be glad to know, could not possibly be nicer or more heartrending from day to day, particularly when they are not thriving with suspicious bliss in cliques that insure popularity or dubious prestige," writes little Seymour. "Few boys, thank God with a bursting heart, that we have run into here are not the very salt of the earth when you can exchange a little conversation with them away from their damn intimates. Unfortunately, here as elsewhere on this touching planet, imitation is the watchword and prestige the highest ambition."

'Hapworth 16, 1924,' the first new Salinger book in 34 years, will be published next month.

Between 1951 and 1963 Salinger published four books: "Catcher," "Nine Stories," "Franny and Zooey" and "Raise High the Roof Beam, Carpenters." From the start, these fictions were dissected, if not worshiped, to a degree practically unimaginable today for a mere text. Salinger's natural response was to retreat, a reaction that was hastened by his basically shy nature.

He didn't want review copies of "Catcher" sent out, and later removed his photograph from the dust jacket. The first paperback publisher issued it with a gaudy cover, but that edition was soon replaced by one that used no art at all, just austere type. He never collected the rest of his stories, or allowed any of them to be reprinted in anthologies or textbooks. Eventually, Salinger stopped publishing fiction at all. "Hapworth 16, 1924" was the last story. He has never dropped his guard, taking Ian Hamilton and Random House to court over a biography that used some of his letters and confounding legal experts by winning all the way to the Supreme Court. A few months ago, Salinger, who lives in New Hampshire, had his agents pursue the author of a World Wide Web page devoted to his work; the site was then taken down.

Lathbury wouldn't confirm that he had met with his author, but seems to be proceeding in accordance with his strict wishes. He's not sending out any copies to reviewers, for instance. "They'll buy it — or better yet, not review it."

Among Orchises' other publications are reprints of books by Tolstoy, Auden and Charlotte Perkins Gilman, along with numerous books of original poetry. Most sales are through mail order. "My philosophy is that books are pushed at people for wrong reasons," the publisher said. "There's a marketing mentality that has little to do with the literary experience. While I want people to know 'Hapworth,' is available, I don't want to force it on anyone."

Indeed, he had wanted to keep it as secret as possible for as long as possible. His plans were somewhat foiled when a Salinger fan saw a listing for the forthcoming book in the online bookstore Amazon.com. This fellow told his sister, Karen Lundegaard, a reporter at the Washington Business Journal, who wrote about it in the Nov. 15 issue. That led to an item in The Washington Post last Sunday, which caused other media to quiz the agent, who finally owned up to the extraordinary publication.

PEOPLE

THE author **Salman Rushdie** criticized a British newspaper Friday for printing derogatory statements by his former wife, who left him months after he drew an Iranian death sentence in 1989. In a letter to The Guardian, Rushdie said he wanted to set the record straight after his ex-wife, **Marianne Wiggins**, described him as self-obsessed and accused him of failing to support other authors whose lives were threatened because of their work. "As I have not seen or spoken to Ms. Wiggins for nearly seven years, and as her own heroism ran out (and so did she) just four months after the fatwa, she can scarcely be thought an expert witness," he wrote. Rushdie said he had devoted "a significant portion of my time and thought" to other persecuted writers, adding, "For many years I have been president of the International Parliament of Writers, whose chief reason for existence is to help writers in trouble."

□

Michael Jackson fever has hit the stately lakeside town of Montreux. With a black scarf over his nose and mouth, black shirt, dark slacks and red jacket, the megastar was spotted by adoring fans at the luxury Palace hotel, the Swiss mass-circulation tabloid Blick reports. Jackson is being treated at the renowned La Prairie clinic in Montreux, famous for rejuvenation treatments and other aesthetic and rehabilitating cures. There a nurse told the newspaper: "Mr. Jackson has a cold. He has been given medicine." There were no further details.

□

Woke up, it was a Hall of Fame morning — for **Joni Mitchell** and four others elected to the Songwriters Hall of Fame. Joni will be joined by **Harlan Howard, Ernesto Lecuona, Jimmy Kennedy** and the folk singer and record producer **Phil Spector** at induction ceremonies June 10, the National Academy of Popular Music said. Among Mitchell's best-known songs are "Chelsea Morning," "Both Sides Now" and "Woodstock."

□

Liza Minnelli, dressed as a man for her gender-bending role in Broadway's "Victor/Victoria," serenaded New York's Mayor **Rudolph Giuliani** and hopped into his lap. Minnelli summoned Giuliani onto the stage at the Marquis Theatre, where she told him, "I have a personal gift for you. Can I show it to you — man to man?" The diva then directed the mayor to a chair and began massaging his shoulder while singing "It Had To Be You." She later flopped into his lap and gave the mayor a kiss. "Can we do that again?" the mayor asked, after being momentarily at a loss for words. Minnelli is pinch-hitting for vacationing **Julie Andrews** in the show, in which she plays a woman who pretends to be a man who pretends to be a woman.

□

The actor **Pierce Brosnan** and his girlfriend, **Keely Shaye Smith**, are the parents of a new baby boy. **Thomas Brosnan** debuted at nine pounds (four kilograms) in Los Angeles. Brosnan, 43, and Smith, 32, of "Unsolved Mysteries," became an item after his wife, **Cassandra Harris**, died.

□

"Ridicule," a film comedy about wannabees at the court of Versailles, was voted best picture, and its female lead, **Fanny Ardant**, was chosen best actress by foreign correspondents in Paris. The best actor award went to **Daniel Auteuil**, who starred in "The Eighth Day."

□

The Swedish royal family will have to cut down on fancy dinners at the palace as the royal court faces cutbacks of 5.4 million kronor (about $780,000) over the next three years, the palace announced. "The royal court, like all other operations in the public sector, must cut back on its operations," the marshal of the court said. Despite the cutbacks, **King Carl Gustaf** and **Queen Silvia** have a packed social calendar for the first half of this year, including trips to South Africa, the United States, Switzerland, Japan and Norway.

□

Through the magic of television, **Bob Dole** came to Pittsburg, Texas, to shoot a Visa commercial that features — his hometown in Kansas. Ever ready with a quip, Dole said he agreed to do the ad "because it looked like a lot of fun, it showcases my hometown and it's a nice break from working on my inaugural address." Dole's hometown is Russell, Kansas, not Pittsburg, a poultry-producing town east of Dallas. BBDO New York, the ad agency producing the ad, declined to explain.

David Thomson/Agence France-Presse

COOL — Philip Hughes finishing a penguin in ice in London on Friday to mark the start of a Greenpeace tour to Antarctica codenamed "Polar Meltdown."

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